









# HISTORY OF THE UNITED STATES

## VOLUME II

*1865-1931*

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## PREFACE

The history of the United States since the Civil War is essentially different from that which preceded it. Although many of the forces that determined our early social, economic, political, and intellectual development persisted in the later period, they often assumed new forms and met with different reactions. With the abolition of the institution of slavery and the reorganization of the economic and the social life of the South, the old sectional rivalry between the North and the South gradually vanished for the most part. In its place arose a cleavage between the industrial East and the agrarian West, the significance of which has tended to become more and more important with the passing of time. Other striking changes have been the revolution in the domestic life of the people as a result of the introduction of labor-saving machinery, the growth of cities, the improvement of means of communication and transportation, the extension of public educational facilities, and the emergence of women to a position of virtual equality with men. Furthermore, industrialization and the accompanying formation of large corporations and business establishments have altered materially the bonds which had previously existed between labor and capital. All these factors have complicated and diversified the life of the average individual, making it increasingly difficult for him to protect his own personal and economic rights and interests. To meet these conditions the authority of government, both state and national, has been greatly extended. As a result, the traditional hostility to governmental interference with business has been largely discarded and a degree of paternalism has been attained totally contrary to the ideas of the leaders in the days before the Civil War. Coincident with these developments have been the gradual elevation of the standard of living of the people as a whole, the accumulation of vast wealth, and the transformation of the country from a debtor to

a creditor nation. Epoch-making as have been these changes in the economic and social life of the people of the country, they are equalled in the realm of world politics. Not only has the early attitude toward national isolation been altered materially, but the country has advanced far in the directions of imperialism and of international coöperation. I have tried to portray in their true relationship these and other tendencies in the history of the United States since the Civil War. It must be borne in mind, however, that the events connected with the history of this period are too recent to permit of more than tentative conclusions. Time alone will make possible a correct perspective of the history of the country as a whole.

I wish to express my gratitude to the numerous scholars whose works I have consulted, often without mention in the body of the text. In a book of this kind, which is intended primarily for undergraduate college students, footnotes are a useless appendage. The chapter bibliographies, however, contain a list of secondary works from which I obtained most of my material with the exception of the sources which I have examined. Especially helpful to me have been the suggestions of my colleagues Professors W. F. Dunaway, B. M. Hermann, and S. K. Stevens of the Pennsylvania State College, Professor Alfred P. James of the University of Pittsburgh, and Professors H. A. Hubbard and Ida Reid Leonard of the University of Arizona, who read and criticized my manuscript. Professor W. L. Werner of the English Department of the Pennsylvania State College gave me many valuable suggestions for use in the two chapters on "Social and Cultural Tendencies." To my wife, in particular, I am indebted for her coöperation in the preparation of the entire book.

ASA EARL MARTIN

# CONTENTS

CHAPTER	PAGE
I. THE ECONOMIC AND SOCIAL PROBLEMS OF THE RESTORED UNION . . . . .	I
The Aftermath of the Civil War, 1 · Economic Conditions in the North, 2 · The Border States, 4 · Economic Conditions in the South, 5 · The Problem of the Freedmen, 8 · The Freedmen's Bureau, 10 · The Freedmen's New Economic Status, 11 · The "Poor Whites," 13 · The Restoration of Prosperity in the South, 13	
II. PRESIDENTIAL RECONSTRUCTION . . . . .	16
The Legal Status of the Seceded States, 16 · Lincoln's Plan of Reconstruction, 17 · The First Congressional Plan of Reconstruction, 18 · The Thirteenth Amendment, 20 · Andrew Johnson, 21 · Johnson and the Radicals, 22 · Johnson's Plan of Reconstruction, 23 · Negro Suffrage, 26 · Johnson's Reorganized State Governments, 27 · The Reentrance of Ex-Confederates into Politics, 29 · The "Black Laws," 30 · Johnson's Veto of the Freedmen's Bureau Act of 1866, 32 · The Civil Rights Bill, 34	
III. CONGRESSIONAL RECONSTRUCTION . . . . .	36
Thaddeus Stevens, 36 · Charles Sumner, 37 · Report of the Joint Committee on Reconstruction, 38 · The Fourteenth Amendment, 39 · Disorder in the South, 40 · The Plebiscite of 1866, 41 · The Rejection of the Fourteenth Amendment by the Southern States, 44 · Economic Aspects of the Readmission of the Southern States, 45 · The Reconstruction Acts of 1867, 47 · The Courts and Radical Reconstruction, 51 · The Impeachment of President Johnson, 52	
IV. CARPETBAG, SCALAWAG, AND NEGRO RULE . . . . .	56
The Reestablishment of Military Rule, 56 · The Registration of the Voters, 58 · The New Constitutions, 60 · The Readmission of the Southern States to the Union, 62 · The Presidential Election of 1868, 65 · Ulysses S. Grant, 68 · The Fifteenth Amendment, 70 · Carpetbag, Scalawag, and Negro Régime, 70 · The Ku-Klux Klan, 72 · The Federal Enforcement Acts, 75 · The Supreme Court and Legislation on Reconstruction, 77	
V. DIPLOMATIC AND POLITICAL DEVELOPMENTS, 1865-1872 . . . . .	80
The French in Mexico, 80 · The Purchase of Alaska, 82 · Rejection of the Treaty for the Annexation of the Danish West Indies, 83 · The Johnson-Clarendon Convention, 84 · Grant's Dominican Treaty, 86 · The Treaty of Washington, 87 · The Burlingame Treaty, 89 · The Cuban Rebellion and the Case of the <i>Virginius</i> , 91 · Low Standards of Business Ethics, 93 · "Black Friday," 95 · Moral Collapse in Government, 96 · Grant's Polit-	

## CHAPTER

PAGE

ical Blunders, 99 · The Civil Service Act of 1871, 99 · The Liberal Republican Movement, 100 · The Presidential Campaign and Election of 1872, 102

## VI. THE PASSING OF THE FRONTIER . . . . . 105

The Frontier of 1860-1870, 105 · Settlements on the Pacific Coast, 106 · The Mineral Kingdom, 106 · The Great Plains, 109 · The Indian Problem, 109 · The New Indian Policy, 111 · The Cattle Ranges, 115 · The Sheep Ranches, 118 · The Transcontinental Railroads, 119 · The Advance of the Dirt Farmer, 123

## VII. FINANCIAL AND ECONOMIC READJUSTMENTS, 1865-1877 126

Federal Financial Readjustments, 126 · The Issuance of Legal-Tender Notes, 127 · The Establishment of the National Banking System, 128 · Economic Effects of War-Financing, 129 · Post-War Contraction of the Currency, 131 · The Panic of 1873, 132 · The Democratic Landslide of 1874, 134 · The Resumption of the Specie Payments Act of 1875, 136 · Agricultural Discontent, 137 · The National Grange of the Patrons of Husbandry, 138 · Agrarian Protests against Monopolistic Domination, 139 · Problems of the Republican Party, 141 · The Presidential Election of 1876, 142 · The Contested Election Returns, 145 · The Electoral Commission, 147

## VIII THE ADMINISTRATION OF RUTHERFORD B. HAYES 150

Rutherford B. Hayes, 150 · The Southern Question, 153 · The Stalwarts, 155 · Hayes and the Civil Service, 156 · Industrial Developments, 158 · The Consolidation of Labor, 159 · Labor Disturbances of 1877, 161 · Congressional Investigations of the Election of 1876, 163 · The Repeal of the Federal Election Laws, 164 · The Movement for the Free and Unlimited Coinage of Silver, 166 · Resumption of Specie Payments, 169 · The Presidential Election of 1880, 170

## IX. THE DOWNFALL OF THE STALWARTS . . . . . 174

James A. Garfield, 174 · The Fight for the Spoils; Blaine versus Conkling, 175 · The Star-Route Frauds, 178 · The Assassination of President Garfield, 179 · Chester A. Arthur, 180 · The Isthmian Canal, 182 · Blaine's Latin-American Policy, 187 · Anti-Polygamy Legislation, 188 · The Chinese Exclusion Act of 1882, 189 · The Problem of the Surplus, 192 · The Pendleton Civil Service Act of 1883, 194 · The Presidential Election of 1884, 196

## X. THE RETURN OF THE DEMOCRATS TO POWER 201

Grover Cleveland, 201 · The Political Bread Line, 205 · The Presidential Succession Act of 1886, 207 · Bounties to the Veterans of the Civil War, 208 · The Battle-Flag Order, 211 · Tariff Legislation during the Eighties, 212 · The Industrial Disturbances of 1886, 216 · The American Federation of Labor, 218 · Labor Legislation before 1900, 219 · The Political Activities of Labor before 1900, 221 · The Interstate Commerce Act of 1887, 222 · The Presidential Election of 1888, 225

# CONTENTS

vii

CHAPTER

PAGE

<p><b>XI. REPUBLICAN ASCENDANCY AND THE EMERGENCE OF BIG BUSINESS, 1889-1891</b></p> <p>Benjamin Harrison, 229 · "Czar" Reed and the House Rules, 231 · The Billion-Dollar Congress, 234 · The McKinley Tariff Bill, 236 · The Revival of the Southern Problem, 238 · The Sherman Silver Act of 1890, 240 · The Development of Large-Scale Industry, 243 · Trusts and Monopolies, 247 · The Sherman Anti-Trust Law of 1890, 250 · The Democratic Landslide of 1890, 254 · Diplomatic Relations with Chile, 254 · The Fur-Seal Controversy, 256 · The Mafia Incident, 258</p> <p><b>XII. SOCIAL AND CULTURAL TENDENCIES, 1865-1890</b></p> <p>Changes in Population, 260 · Living Conditions, 263 · The Development of Education, 267 · American Literature, 270 · American Journalism, 273 · The Growth of Interest in Art and Music, 274 · The Scientific Revolution, 276 · Religious Tendencies, 278</p> <p><b>XIII. THE POPULIST MOVEMENT</b></p> <p>The Far West, 281 · The Plight of the Farmer, 285 · The Farmers' Alliance, 288 · The People's Party, 292 · Republican Dissensions, 295 · The Democratic National Convention, 297 · The Presidential Campaign of 1892, 298</p> <p><b>XIV. GROVER CLEVELAND'S SECOND TERM</b></p> <p>Ex-President Harrison, 302 · Cleveland's Return to Power, 303 · Unsatisfactory Business Conditions, 305 · The Gold Reserve of the Government, 306 · The Panic of 1893, 308 · The Repeal of the Sherman Silver Act, 309 · Breaking the Endless Chain, 311 · The Wilson-Gorman Tariff of 1894, 315 · Economic Disturbances of 1894, 318 · "Government by Injunction," 319 · The Venezuelan Affair, 322</p> <p><b>XV. THE FREE-SILVER PLEBISCITE OF 1896</b></p> <p>Grover Cleveland, 327 · The Silver Issue before the Country, 328 · The Pre-Convention Republican Campaign, 330 · The Adoption of the Gold Standard by the Republicans, 334 · The Capture of the Democratic Party by the Silverites, 335 · "The Boy Orator of the Platte," 336 · Minor Political Parties, 339 · The Campaign of 1896, 340 · William McKinley, 343 · The Dingley Tariff of 1897, 344 · The Gold Standard Act of 1900, 346</p> <p><b>XVI. THE WAR FOR THE INDEPENDENCE OF CUBA</b></p> <p>Attitude of the United States toward Cuba, 348 · The Cuban Revolt of 1895, 350 · Spain's Attempt to Suppress the Rebellion, 351 · Cleveland's Policy of Neutrality, 352 · McKinley's Cuban Policy, 354 · The Declaration of War against Spain, 357 · The Preparation for War, 361 · The Battle of Manila Bay, 364 · Dewey's Controversy with Admiral von Diedrichs, 367 · The Blockade of Admiral Cervera's Fleet at Santiago de Cuba, 368 · The Capture of Santiago de Cuba, 370 · The Expedition against Porto Rico, 374 · The Capture of the City of Manila, 374 · Negotiations for Peace, 376</p>	<p>229</p> <p>260</p> <p>281</p> <p>302</p> <p>327</p> <p>348</p>
--	---



## CHAPTER

## PAGE

XVII. THE PASSING OF NATIONAL ISOLATION AND THE AC-  
CESSION OF THEODORE ROOSEVELT TO THE PRESI-  
DENCY . . . . . 381

The Restoration of Prosperity, 381 · The New Imperialism, 383 · The Appeal to the People on Imperialism, 386 · The Assassination of President McKinley, 388 · Theodore Roosevelt, 388 · Roosevelt at the Helm, 390 · The Establishment of the Cuban Republic, 393 · Political and Commercial Relations between the United States and Cuba, 395 · Porto Rico, 398 · The Insular Cases, 400 · The Occupation of the Philippine Islands, 400 · The Establishment of Civil Government, 403 · The Acquisition of the Hawaiian Islands, 404 · Other Possessions of the United States in the Pacific, 407

XVIII. ROOSEVELT AND THE CARIBBEAN . . . . . 411

The Revival of the Demand for an Isthmian Canal, 411 · The Hay-Pauncefote Treaty of 1901, 412 · The Selection of the Canal Route, 413 · The Hay-Herran Convention, 414 · The Revolution in Panama and the Hay-Bunau-Varilla Convention, 415 · The Panama Canal, 418 · The Venezuelan-Debt Crisis, 419 · The Drago Doctrine, 423 · The Dominican Receivership, 424

XIX. THE UNITED STATES AND WORLD POLITICS, 1898-1909 427

The Disintegration of China, 427 · The "Open-Door" Policy, 428 · The Problem of Japanese Immigration, 430 · The World Cruise of the Battle Fleet, 434 · The Alaskan-Boundary Controversy, 435 · The North-Atlantic Fisheries, 438 · American Interest in Europe, 439 · The Moroccan Question, 441 · Military Preparedness, 442 · International Arbitration, 444

XX. GOVERNMENTAL REGULATION OF BIG BUSINESS 447

The Popular Demand for the Legislative Control of Big Business, 447 · Reforms in State and Local Governments, 449 · Roosevelt's Program for Industrial Reform, 451 · The Appeal to the People, 453 · The Settlement of the Anthracite Coal Strike, 455 · The Square Deal for Labor, 458 · The Revival of the Trust Problem, 459 · The Northern Securities Case, 461 · Roosevelt and the Protective Tariff, 464 · The Presidential Election of 1904, 465

XXI. ROOSEVELT'S SECOND ADMINISTRATION, 1905-1909 . . 469

Regulation of Railroads, 469 · Pure Food and Drugs Legislation, 472 · The Conservation Movement, 475 · Irrigation, 476 · The Reclamation of Swamp Lands and Flood Control, 479 · The Conservation of the Forests, 481 · Subsequent Conservation Legislation, 482 · The "Rich Man's Panic" of 1907, 483 · The Aldrich-Vreeland Currency Act of 1908, 485 · The Presidential Election of 1908, 486

# CONTENTS

ix

## CHAPTER

PAGE

### XXII. PRESIDENT TAFT AND THE PROGRESSIVE REVOLT . . . 490

William Howard Taft, 490 · Taft's Break with the Roosevelt Liberals, 492 · The Payne-Aldrich Tariff of 1909, 494 · The Ballinger-Pinchot Controversy, 498 · The Insurgent Revolt in the House of Representatives, 499 · The Return of Roosevelt from Africa, 500 · The Democratic Triumph in the Congressional Elections of 1910, 502 · Canadian Reciprocity, 503 · The Democratic-Insurgent Assault on the Payne-Aldrich Tariff, 505 · Other Legislative Enactments, 506 · The Progressive Movement, 508 · The Republican National Convention, 510 · The National Progressive Party, 512 · The Democratic National Convention, 513 · The Presidential Canvass of 1912, 517

### XXIII. WOODROW WILSON . . . . . 519

The Character of Woodrow Wilson, 519 · The Inauguration of the New Administration, 522 · The Underwood-Simmons Tariff of 1913, 525 · The Federal Reserve Banking System, 1913, 528 · The Clayton Anti-Trust Act of 1914, 532 · The Federal Trade Commission, 1914, 534 · Other Legislation, 535 · The Congressional Elections of 1914, 536 · Federal Aid to Agriculture, 537 · Labor Legislation: the Adamson Law of 1916, 540

### XXIV. ATTITUDE OF WILSON'S ADMINISTRATION TOWARD AMERICAN COLONIES AND DEPENDENCIES . . . 543

Status of Foreign Affairs, 543 · Reorganization of the Government of the Philippine Islands, 543 · Economic Relations between the United States and the Philippines, 545 · The Extension of Citizenship to the Porto Ricans, 546 · The Purchase of the Danish West Indies (Virgin Islands), 547 · The Haitian Protectorate, 548 · The Dominican Protectorate, 550 · The United States and Central America, 551 · The United States and Mexico, 555 · The Caribbean Policy and the Monroe Doctrine, 560 · The Pan-American Movement, 562

### XXV. THE WORLD WAR AND THE PREPAREDNESS MOVEMENT 565

The Peace Movement, 565 · The World War, 568 · American Neutrality, 569 · Economic Effects of the War on the United States, 572 · The Merchant Marine, 574 · The Emergency War Revenue Legislation, 575 · Preparedness versus Pacifism, 576 · The National Defense Legislation of 1916, 580 · The Presidential Election of 1916, 582

### XXVI. THE STRUGGLE FOR NEUTRAL RIGHTS . . . . . 587

Great Britain and Trade Restrictions, 587 · The War-Munitions Controversy with Germany, 590 · The Inauguration of Germany's Submarine Policy, February 4, 1915, 594 · President Wilson's "Strict Accountability" Note to Germany, 595 · Germany's War on Merchant Vessels, the *Lusitania*, 597 · The *Sussex* Ultimatum;

Germany's Modification of her Submarine Policy, 600 · President Wilson's International Idealism, 603 · The Peace Overtures of December, 1916, 605 · Unrestricted Submarine Warfare, February 1, 1917, 607 · The Arming of American Merchant Ships, 609 · The Declaration of War against Germany, 610

## XXVII. MOBILIZATION OF THE NATION'S RESOURCES . . . . . 612

Early War Objectives of the United States, 612 · Enthusiastic Popular Support of the War, 614 · Industrial Mobilization, 616 · The Regulation of Foreign Trade, 618 · Conservation of Food and Fuel, 619 · The Nationalization of the Railroads, 622 · The Construction of the Emergency Merchant Marine, 624 · The Expansion of the Navy, 625 · Other War Activities of the Government, 626 · The Problem of Financing the War, 629 · The Mobilization of the Nation's Man Power, 631

## XXVIII. THE AMERICAN EXPEDITIONARY FORCE . . . . . 635

Naval Operations during the World War, 635 · General John J. Pershing and his Mission to Europe, 637 · American Preparations Overseas, 640 · The Training of the Army Overseas, 643 · The General Military Situation in the Spring of 1918, 646 · The German Offensive of 1918, 649 · Unified Allied Command, 651 · American Reënforcements, 652 · The Turn of the Tide, 655 · The Reduction of the St. Mihiel Salient by the First American Army, 658 · The Meuse-Argonne Battle, 659 · The Collapse of the Central Powers, 661 · The Morale Offensive and the Preliminary Peace Negotiations, 662 · The Armistice, 665 · The Cost of the War, 666

## XXIX. THE TREATY OF VERSAILLES . . . . . 668

Problems of the Peace Conference, 668 · The Peace Commission of the United States, 670 · The Organization of the Peace Conference, 672 · The Covenant of the League of Nations, 674 · Other Provisions of the Treaty of Versailles, 677 · The Senate and the Treaty of Versailles, 679 · The League of Nations and the Campaign of 1920, 682 · Warren G. Harding, 686 · The Establishment of Peace with Germany, 687

## XXX. THE MOVEMENT FOR WORLD PEACE AND DISARMAMENT . . . . . 689

The Establishment of the League of Nations, 689 · The United States and the League of Nations, 690 · The Permanent Court of International Justice (World Court), 692 · Arbitration and Conciliation, 694 · The Pact of Paris (the Kellogg-Briand Pact), 696 · Inter-Allied Indebtedness to the United States, 698 · The Washington Conference on Disarmament, 701 · The Three-Power Naval Conference at Geneva, 704 · The London Naval Treaty of 1930, 706

# CONTENTS

xi

CHAPTER	PAGE
XXXI. POST-WAR ECONOMIC AND POLITICAL READJUSTMENTS . . . . .	709
Demobilization, 709 · Adjusted Compensation for Veterans of the World War, 710 · The Denationalization of the Railroads and the Railroad Transportation Act of 1920, 711 · The Disposal of the Government-Owned Merchant Marine, 714 · The Fordney-McCumber Tariff of 1922, 715 · Governmental Economy, the Budget System, and Tax Reduction, 717 · Economic Readjustments and the Financial Depression of 1920, 720 · Industrial Disturbances, 722 · Agricultural Distress, 724 · Political Changes, 727	
XXXII. THE ADMINISTRATIONS OF COOLIDGE AND HOOVER .	730
Calvin Coolidge and the Conservative Reaction, 730 · The Presidential Campaign of 1924, 732 · The Political Situation during Coolidge's Second Administration, 735 · The Presidential Campaign of 1928, 736 · President Hoover and the Republican Politicians, 740 · Federal Farm Legislation, 741 · The Hawley-Smoot Tariff of 1930, 743 · The Industrial Crisis of 1929-1931, 745 · The Drought of 1930, 746 · The Crime Wave and Law Enforcement, 746	
XXXIII. SOCIAL AND CULTURAL TENDENCIES, 1890-1931 . . .	749
Changes in Population, 749 · Immigration, 752 · The Woman's Rights Movement, 756 · Social Legislations, 759 · Religious Readjustments, 762 · The Great Experiment, 763 · The Distribution of Wealth, 768 · The Standard of Living, 771 · Recreation for the Masses, 773 · The Broadening of American Culture, 776	
BIBLIOGRAPHY . . . . .	785
INDEX . . . . .	801



# MAPS

	PAGE
1. United States in 1870 (colored) . . . . .	10
2. The Transcontinental Railroads . . . . .	121
3. Industrial United States in 1890 . . . . .	245
4. Distribution of Population in 1890 . . . . .	261
5. The Philippine Islands . . . . .	365
6. The Caribbean Area . . . . .	373
7. Colonies and Dependencies of the United States in the Pacific . . . . .	408
8. The Alaskan-Boundary Controversy . . . . .	437
9. Federal Irrigation Projects . . . . .	477
10. Mexico and the Caribbean Region (colored) . . . . .	546
11. Construction Projects of the Army in the United States . . . . .	627
12. Seaports, Storage Points, and Supply Lines of the American Army in France . . . . .	641
13. Construction Projects of the American Army in France . . . . .	642
14. The German Offensive of 1918 . . . . .	650
15. Movement of American Troops to France . . . . .	653
16. Military Operations of the United States in France . . . . .	657
17. Distribution of Population in 1930 . . . . .	751
18. Industrial United States in 1930 . . . . .	769



# HISTORY OF THE UNITED STATES

## CHAPTER I

### THE ECONOMIC AND SOCIAL PROBLEMS OF THE RESTORED UNION

#### THE AFTERMATH OF THE CIVIL WAR

The surrender of the remnants of the once formidable Confederate army in the spring of 1865 and the collapse of the Southern government brought to a termination the long and bloody war between the states. In the end superior resources and man power had become so overwhelming that much of the territory of the eleven seceding states was within the lines of the invading hosts. A further continuation of the unequal struggle was useless. Nothing remained for the Confederacy but to submit to the authority of the Federal government and to such punitive measures as the victors might see fit to impose.

In the opinion of the Northerners the war had settled two questions beyond further dispute: the Negro was to be free, and the Union was to be preserved. Few, however, appreciated even in a limited way the significance of the problems connected with the satisfactory solution of either of these questions. To be sure, slavery had ceased to exist; but the economic, social, and political status of the freed Negro remained to be determined. Furthermore, only in a narrow sense could it be said that the Union had been preserved. Although the authority of the Federal government was nominally supreme throughout the land, peace had neither restored harmony nor allayed the hatreds developed by the long war. At the same time, that sectionalism which for several decades preceding the war had kept the government in a state of turmoil had been intensified



rather than ameliorated by the strife and sufferings of the fratricidal struggle. Hence, even under the most favorable circumstances, many years must pass before real concord could be expected to prevail. One difficulty not generally recognized was the fact that those in charge of the government did not adequately appreciate the extent of the transformation wrought by the war both in the North and in the South. They considered that the problem of reconstruction, great as it was, meant merely the restoration of national authority as it had existed in 1860. They hardly realized the fact that in the South the social and economic structure of society lay in irremediable ruin and that in the North a new economic order had appeared which was to alter fundamentally the life of the country. Consequently, attempts to restore the old régime, as will be seen later, were destined to meet from the outset with disappointments and ultimately with failure.

#### ECONOMIC CONDITIONS IN THE NORTH

Questions of immediate importance to the administration at Washington were the disestablishment of the elaborate governmental machinery that had grown up during the four years of war and the placing of the country on a sound economic basis. In the Northern states not only had business undergone a transformation but the direct losses in life and property had been tremendous. To battle casualties and disease 359,000 men had been sacrificed, and 275,000 more had received wounds. The actual cost of the war to the Union in money alone above the ordinary expenses of the government exceeded \$4,000,000,000. The national debt had reached the staggering sum of \$74.28 for each inhabitant of the Republic and the taxes had increased to \$11.46 per capita, a heavier levy than that of any other country in the world. In fact, in the short space of four years the government's expenditures had been greater than during the entire previous history of the nation. Congress, in a frantic effort to meet its growing financial obligations, had resorted to many devices for obtaining revenue. In a series of tariff measures it had raised the average of duties to 47 per cent. Internal

taxes had been increased correspondingly and had been levied on numerous items not previously listed, among which were all private incomes of over \$500. Between 1861 and 1865 the customs duties produced \$910,000,000 and the internal-revenue taxes more than \$1,280,000,000.

Fortunately, however, the North had enjoyed prosperity throughout the period of the war. Crops had been bounteous, commerce had flourished, and industries in general had undergone constant expansion.<sup>1</sup> A fair index to the economic development of the period is to be found both in the issuance of 71,800 patents between 1860 and 1870 as contrasted with 25,200 in the preceding decade and in the increase in the number of manufacturing establishments from 140,435 in 1859 to 252,148 ten years later. In only one important industry, that of cotton manufacture, had production decreased. Especially striking was the growth in the manufacture of woollen cloth, of which the government was a heavy purchaser. Simultaneously came the rise of the ready-made-clothing industry, made possible by the sewing machine and other mechanical inventions. The application of these devices to leather through the patents of L. R. Blake and Gordon McKay ushered in an era of expansion in the manufacture of that commodity. At the same time the opening up of large tracts of land in the West, the exploitation of the newly discovered oil resources of the country, the growth of the meat-packing business, the development of the steel industry, the extension of the railroads into every part of the land, and the mining of millions upon millions of dollars' worth of gold and silver contributed to the economic well-being of the people. A considerable impetus to business of this kind was given by the succession of European wars, which by creating new markets for American products resulted in a large increase in the volume of foreign trade.

On the other hand, prices had nearly doubled and speculation in every kind of business was rampant. Fortunes were made and lost by the thousands. Regardless of the sobering

<sup>1</sup> A notable exception to the general prosperity was the condition of the merchant marine. It suffered a decline from a position of major importance among American industries to one of comparative insignificance.

influence of the war, the new-rich flocked to the pleasure resorts, where they indulged in unprecedented extravagances. It was the general prosperity of the people, however, that made the task of economic and political reconstruction in the North fairly easy. Demobilization of the million men in military service began within a week after Lee's surrender. It proceeded so rapidly that at the expiration of six months 800,000 had been returned to civilian life. Even more striking was the fact that the expanding industry and agriculture of the country were able without a financial crisis to absorb not only this large number of men but also the flood of immigrants who were arriving in pre-war numbers. Meanwhile the multifarious activities of the War Department and the other agencies of the government through which the armed forces were supplied with food, clothing, and equipment were curtailed, and the way was opened for a radical reduction of taxes. The economic life of the people, however, continued on a war-time basis in spite of the pleadings of a considerable number of conservative financiers and economists who advocated an early return in prices, wages, and business methods to something approaching those that prevailed in 1860. Although eight more years of frenzied prosperity followed the war, the natural laws of economics were destined to assert themselves eventually in the ruthless leveling process of a stringent financial depression.

### THE BORDER STATES

In striking contrast to this glowing picture of conditions in the North during the years immediately following the close of the war was the deplorable state of affairs that existed throughout the former slave states, both the border states which had remained in the Union and the states of the Confederacy. In Missouri, Kentucky, and Maryland nearly half the people had favored secession, and each of these states had furnished thousands of volunteers to the Confederate army. Furthermore, protracted military operations had been carried on within their borders with the usual consequences. Still more destructive of both life and property had been the irregular warfare of raiders

and guerrilla bands, which continued in Kentucky and Missouri for a year or more after the surrender of the armed forces of the Confederacy. The fratricidal character of this conflict with the division of families, churches, and neighborhoods, together with the loss of life and property, engendered such bitterness that all social and economic relationships were profoundly affected. To make the situation even more serious the Unionist majorities were hopelessly divided on the question of the abolition of slavery. In Missouri and Maryland those favoring emancipation obtained the upper hand before the termination of the war and secured by state legislation the abolition of slavery; in Kentucky the conservatives were successful in delaying action until the Fifteenth Amendment determined the question. Punitive measures against those who had assisted the Confederate forces were enacted by the state legislatures, of which the Unionists had gained control. Such stringent test oaths were required of those who desired to vote or to participate in the government that thousands of ex-Confederates were disfranchised. Especially severe were the provisions of Missouri's constitution of 1865, by which Southern sympathizers were denied the rights not only to vote and to hold office but also to practice law and medicine and "to teach or preach or solemnize marriages." To complicate matters further, in all these states the Federal government through its military commanders continued until well after the close of the war to supplement or to override at discretion the judicial and administrative procedures of the states' governmental authorities. It was not until the status of the Negro had been finally fixed and the power of the radicals in Congress had been established beyond dispute that Federal interference was discontinued.

#### ECONOMIC CONDITIONS IN THE SOUTH

In the eleven states of the defunct Confederacy conditions similar to those in Kentucky, Missouri, and Maryland prevailed, with the evils greatly aggravated. Out of a total white population of approximately 5,500,000 in 1860, 258,000 men had been killed in battle or had died of wounds or disease, and a number

Thus it is to be seen that the erection of a new economic and social order became an immediate necessity, even under these trying conditions. The effects of the destruction of slavery, upon which the life of the South had been founded, to a large extent were felt everywhere. Not only had the slaveholders lost property in slaves valued at \$2,000,000,000, but their social life had been struck a deathblow. Other forms of wealth suffered likewise. Those Southerners who possessed money had invested it in governmental bonds or securities, which in the end became worthless. Atlanta, Richmond, Charleston, Columbia, Memphis, Mobile, and other cities had been wholly or partly laid in ashes, and great areas in the paths of the invading armies had been left in desolation. Hundreds of miles of railways had been torn up, bridges destroyed, and the rolling stock burned or carried into the Northern states. On the farms nearly half the horses, mules, cattle, and hogs had become the prey of one or the other of the contending forces. The universal failure of the banks, most of which had succumbed to the flood of worthless Confederate currency with a total loss of approximately a billion dollars, together with the bankrupt conditions of insurance companies and other financial agencies, left the country without any means of economic reorganization. This unfortunate state of affairs gave rise to an atmosphere of anxiety, which caused thousands of the best element in the population to desert their

homes and to seek new opportunities elsewhere. Some went to Mexico, where they enlisted under the banner of the ill-fated Maximilian; others established a colony in Brazil; and a horde moved into the rapidly developing West. Those who remained to work out their own salvation as well as that of their section began with untried labor forces, with no capital and no means of acquiring it, and with a depleted supply of agricultural equipment. To be sure, land was plentiful; but its value had depreciated to such an extent that many members of the former slaveholding aristocracy found themselves penniless and even, in numerous instances, objects of charity.

Their lot was made harder by the operation of certain Federal war-time regulations. In part these required that all property to which the Confederate government had a claim, as well as that belonging to individuals who fought against the Union, be confiscated, that a tax of 25 per cent be imposed on all property offered for sale, and that revenue and shipping taxes be instituted. The revenue tax on cotton alone, ranging from two to three cents a pound, brought in \$68,000,000 during the three years following the close of the war. Moreover, the collection of the cotton tax and particularly the seizure of cotton supposed to belong to the Confederate government were accompanied by graft and irregular practices. About 40,000 individuals were indemnified eventually for property seized under the pretext that it was owned by the Confederacy; hundreds of others who lost property were unable to prove that representatives of the government had taken it, for the country was infested with cotton thieves. The general economic demoralization of the South was complicated further by the poor cotton crops of 1865 and 1866 and by the considerable reduction in the price of that staple owing to large production in India and elsewhere.

In addition to the industrial and agricultural distress on every hand, there existed an unsatisfactory political condition which tended to neutralize all efforts in the direction of rehabilitation. Indeed, in the spring of 1867, when the congressional plan of reconstruction was being enacted, the uncertainty and confusion permeating the life of almost the entire people were so pronounced that little real progress could be made. In the words

of one Southerner the "spirit of the nation" was broken. "Yet the treatment we receive from the Government," he continued, "becomes more and more severe every day. . . . The one subject which Southerners discuss whenever they meet is, 'What is to become of us?'"

### THE PROBLEM OF THE FREEDMEN

Although the economic situation of the people of the South was discouraging, their most pressing difficulty appeared to them to be the handling of the newly freed Negro. Indeed, without his presence the question of reconstruction would have been comparatively simple. Involved as it ultimately became, however, with such matters as the granting of civil and political rights to the Negro and the improvement of his social and economic status, it precipitated a racial struggle, which resulted in an intensification rather than an amelioration of the hatreds developed by the war. Because of the large number of freed slaves, nearly 4,000,000, the problems associated with emancipation had no precedent in history. In two states, South Carolina and Mississippi, the Negroes outnumbered the whites by 111,000 and 183,000 respectively, and in the South as a whole they represented nearly half the total population. In the two hundred counties that comprised the so-called "Black Belt," where the plantation system was best developed, the Negroes predominated, often five to one and sometimes ten or more to one.

Though the majority of Negroes in 1860 were ignorant, illiterate, and utterly unprepared for immediate freedom at the time of their liberation, five years later many had gained experience that was certain to be useful in taking advantage of their new opportunities. The 488,070 free Negroes of the country in 1860 were augmented by several hundred thousand fugitive slaves, who during the war flocked to the Union camps, where they labored under the supervision of specially appointed governmental officials. Nearly 200,000 more served in the Union army. To these groups, of course, emancipation had been a gradual process. It must be admitted also that most Negroes knew how to work and had adopted in part the language, the habits, and the religion of the white men. However, servitude had not developed

in them either thrift or self-reliance nor had it given them an education. In short, the slave did not possess those prerequisites usually associated with freedom. Released from discipline and often misdirected by his Northern advisers, the Negro naturally indulged in excesses of petty criminality. Indeed, within two years after he had gained his freedom the percentage of crime per thousand of population increased to more than ten times that among the whites. His status was well characterized by the great Negro leader Frederick Douglass, when he said that the Negro "had none of the conditions of self-preservation or self-protection. He was free from the individual master, but he had nothing but the dusty road under his feet. He was free from the old quarter that once gave him shelter, but a slave to the rains of summer and to the frosts of winter. He was turned loose, naked, hungry, and destitute to the open sky."

The slaves generally had at first a vague idea of emancipation, but as its significance dawned upon them they showed many unexpected reactions. A great many of the domestic slaves, the character of whose service had brought them into intimate contact with their masters, pleaded to continue their former relationships. Most of the Negroes, however, welcomed with rejoicing their new status, although very few had even the slightest appreciation of the freedom they were thenceforth to possess. "I's free as a bird," they said; and they proved it by changing their names and taking to the road. Before the end of the summer of 1865 they were to be seen wandering aimlessly along all the leading highways. In the cities of the border states in particular their numbers were such as to create serious problems, for neither work nor living accommodations could be found for them. Of course the majority of blacks remained on the plantations, and many of those who had roamed away and suffered for want of food and shelter returned to their former abodes. In their wanderings the hungry freedmen helped themselves to the live stock, poultry, field crops, and vegetables that lay along their path. Indeed, "spilin de gypshuns," as they called stealing from the whites, became an approved method of support. Looking upon their former politeness to all white people as a badge of servitude, they now showed impudence and distrust — characteristics which



were intensified by the return of the Negro troops who had served in the Union army and by the appearance of Northern Negro and white agitators.

### THE FREEDMEN'S BUREAU

The physical condition of the Negro was worse, if possible, than the mental and spiritual state of the Southern white man. Lacking food and requisite medical advice and equipment, the underfed freedmen contracted diseases that quickly doubled and in many communities tripled the death rate. Especially appalling was the percentage of deaths among Negro children. Although private philanthropic organizations and the various branches of the Federal government whose activities carried them into the South did what they could to alleviate suffering, the task was so great that only a fraction of those in need received adequate assistance. Of these agencies the Freedmen's Bureau, erected by an act of Congress, March 3, 1865, to supervise all matters pertaining to refugees, freedmen, and abandoned lands in the states comprising the Confederacy, was especially active. This organization, which, according to the act of Congress creating it, was to last for one year after the termination of the war, developed in every part of the South during the summer of 1865 a great network of branches with hundreds of employees. In the social readjustment in the South, as well as in the shaping of public opinion in the North, the Freedmen's Bureau assumed a conspicuous place. Among its diversified functions it gave medical assistance to more than a million people; it established hospitals and dispensaries; it allotted abandoned land and land purchased for that purpose to freedmen; it supervised the building and operation of schools, in which one hundred and fifty thousand Negroes were enrolled before the end of 1866; it exercised jurisdiction over questions of dispute between whites and blacks; and it took cognizance of all questions affecting the labor of freedmen. In short, the Bureau assumed a general guardianship over the emancipated race and, backed by the Federal military units in the South, made itself one of the most potent factors in the reorganization of Southern society.







of immigrants to avoid the poverty-stricken South. At the same time, because of the Negro's lack of funds and his unwillingness to leave his adopted land, the various schemes of Lincoln and others for colonization were abandoned.

The more intelligent citizens came gradually to see that the ultimate economic recovery of the section could be accomplished only through some form of partnership between the two races. In general, the former slave-owners were the first to become reconciled to the new order and to make an honest attempt to adjust themselves to it.

The nonslaveholders, however, occupying the hill country and the less productive lands, against whom the Negroes were destined to become formidable competitors, were bitterly hostile. They had been starved by the monopoly of slave labor, not only in the towns but on the farms as well. Skilled slave laborers had shut them out of trades that they considered rightfully theirs. Furthermore, Negroes and members of the white aristocracy alike made them feel that they occupied an inferior position both socially and politically. Hence it is no wonder that there was race hatred when these poor whites entered a struggle for equality with the blacks. This antipathy found expression in many bloody frays, which did much to make inevitable the harsh terms of reorganization that the North was to impose upon its conquered foe.

Regardless of the hindrances encountered in the development of a sound economic basis for labor, real progress was slowly made. In some instances land was rented for a definite sum, but the lack of both money and credit in the South limited the number of those who could avail themselves of this plan. Others divided their plantations into small farms, each of which was let outright to a Negro for a cash rental per acre to be made, in most cases, at the end of the year. The practice that eventually became general, however, was the share system, by which the renter paid to the owner a certain percentage of the crop, the amount depending upon whether the tenant or the planter furnished the equipment. These plans all included certain "privileges" brought over from slavery. In most cases the Negro and his family were given a house, fuel, pasture for live stock, a

vegetable and fruit garden, and the right to hunt and fish. Unfortunately these were all that some needed for their sustenance. Although the share system was subject to many abuses, it tended to keep the white landowners' property productive and at the same time it offered the freedman who had no other means at his disposal a way of beginning an independent economic existence.

### THE "POOR WHITES"

The breaking up of the large plantations into small units furnished the poor white men of the South, most of whom had been nonslaveholders before the war, an opportunity which they had not previously enjoyed. Land worth from \$15 to \$40 an acre in 1860 could be bought for from \$3 to \$8 an acre in 1865. Furthermore, cotton prices were high. The misfortunes of the planter not only reacted to the advantage of these poor whites but offered an alluring prospect to thousands of Northerners, who purchased farms in the region and began to raise cotton and other Southern crops. The general belief, however, that these newcomers would bring much needed capital into the country and introduce efficient methods in agriculture as well as formulate a satisfactory solution of the problem of Negro labor was not fulfilled. With but few exceptions they were ignorant of agricultural matters and were wholly incapable of wisely controlling the blacks. Later, as will be seen, many of these Northerners entered politics and, under the appellation of "carpetbaggers," took a conspicuous part in the stirring events of the Reconstruction era.

### THE RESTORATION OF PROSPERITY IN THE SOUTH

With revolutionary changes taking place in agriculture, conditions gradually improved after the crop failure and the unrest of 1865. By 1871 in every community planters were to be found who were comparatively independent, money and credit were more available than at any time during the preceding decade, and the cotton yield had reached the amazing total of 4,347,000 bales, a crop one fifth again as great as that of 1860. Meanwhile

the number of independent farmers in the South had increased at least a third, and a considerable reduction had been made in the size of the average holding. Other changes that influenced the economic reorganization of the South were the rapid recovery and the increased importance of the cities, the development of commercial and mercantile classes, and the establishment of a credit system based on independent loans made directly to the farmer by local money lenders and bankers. In short, a commercial system similar to that in the North and the West had developed, imperfect and defective though it was at that time.

A growing number of Southerners were facing the economic problems of the country with a determination to work out a satisfactory solution. "Our people," said the *New Orleans Picayune*, "need to be thrown entirely upon their own resources, and the heavier the shock, the more complete the overthrow of the past system of negro and other vicious labor . . . the more likely are they to begin where their fathers began without the negro." The South, according to this article, should not only produce raw materials but should manufacture them into finished products as well. As a matter of fact, considerable advancement was made in that direction. In a number of places water power was utilized to operate cotton mills. Some seventy small cotton mills were successfully established in Georgia alone during the three years following the war. In Tennessee the capital invested in cotton factories in 1870 exceeded \$1,000,000, and much progress was made in the manufacture of sheetings and shirtings.<sup>1</sup> The railroads throughout the South were being restored, the mineral wealth of Alabama, Tennessee, and other states was being exploited, and many new industries scarcely known before the war were started.<sup>2</sup> In agriculture an awaken-

<sup>1</sup> The progress in the manufacture of cotton products increased steadily. In 1870 there were 11,000 looms and 417,000 spindles in operation in the South, with a total consumption of 45,000,000 pounds of cotton. Ten years later the looms had increased to 15,000, the spindles to 714,000, and the cotton consumed to 102,000,000 pounds. Though New England continued to be the chief cotton-weaving center of the United States, her consumption of 500,000,000 pounds was much smaller in proportion to that in the South than it had ever been.

<sup>2</sup> In 1880 nine Southern states contained more than 400 coal-mining establishments. Their production was one eighth of that of the entire country. Iron also was manufactured by 200 concerns with a value of \$25,000,000.

ing was evident in many sections of the South, agricultural fairs were held for the display of farm products, and a growing interest was shown in the improvement of the soil. Yet though these manifestations of a speedy return of prosperity were encouraging, the majority of Southerners still remained in poverty and destitution. Much time was to elapse before the economic well-being of the mass of the people was to be attained. Even under the most favorable circumstances progress would have been slow; but during the years following the war the outlook was anything but propitious. Indeed, one of the greatest hindrances, and one over which the people had little control, was the instability of the chaotic political conditions, a topic which will be discussed in detail in the following chapters.

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## CHAPTER II

### PRESIDENTIAL RECONSTRUCTION

#### THE LEGAL STATUS OF THE SECEDED STATES

To a far greater extent than was generally recognized the stabilization of economic and social conditions in the South at the close of the war depended upon a speedy restoration of civil government. The problems involved, however, though seemingly easy of solution, were complicated. Especially troublesome was the question of the status of the seceded states. Were they in or out of the Union? Irrespective of their answers to this question, all agreed that the normal relationship of the Southern states to the Federal government did not exist. But how and by whom was it to be restored? By 1865 opinions were fairly crystallized around the theories held by certain political leaders. On the one hand, Lincoln maintained that "no State can upon its mere motion get out of the Union"; that the war had been waged against combinations of individuals too powerful to be combated by the ordinary processes of law and not against the states as such; and that hence the problem of reconstruction was a matter to be adjusted by individuals of the South and the Federal executive. The views of Andrew Johnson did not differ essentially from those of Lincoln. "The true theory," Johnson said, "is that all pretended acts of secession were from the beginning null and void. . . . The States attempting to secede placed themselves in a condition where their vitality was impaired, but not extinguished; their functions suspended, but not destroyed." On the other hand, Senator Charles Sumner of Massachusetts, one of the most influential of the radical members of Congress, evolved what came to be known as the state-suicide theory, according to which a state by a vote of secession and by resistance to Federal authority surrendered all rights under the Constitution. Furthermore, the inherent treasonable-

ness of such an act worked an instant forfeiture of those functions and powers essential to the continued existence of the state as a body politic. In other words, a seceded state automatically degraded itself to the position of a territory and was therefore under the exclusive jurisdiction of Congress. Somewhat similar was the conquered-province theory advocated by Thaddeus Stevens, the radical leader in the House of Representatives. He thought that the discussion of the constitutional aspects of the question of reconstruction was a clear waste of time. In reality the "rebel states" were conquered provinces, he declared, and as such were subject to the dictates of Congress. He proposed to elevate the status of the Negroes to that of the white men and, at the same time, to punish as traitors those citizens of the South who were responsible for the rebellion. Between the extremely mild and conciliatory position of Lincoln and Johnson and the drastic attitudes of Sumner and Stevens were many so-called compromise theories, each of which had a respectable group of advocates. The ex-Confederates, regardless of their pre-war tenets, generally upheld the President's policy because it offered the quickest method of restoration and carried with it a minimum of punishment.

### LINCOLN'S PLAN OF RECONSTRUCTION

The first definite policy of reconstruction was evolved by President Lincoln, who with his characteristic forethought had given the question continuous consideration from the very outbreak of the war. He believed that there existed in every one of the seceded states a large group of loyal citizens through whom he could work. At the same time he realized the weakness of this element and proposed to supplement it by accessions from the supporters of the Confederacy. The details of his plan he embodied in a "Proclamation of Amnesty and Reconstruction" issued on December 8, 1863. This document offered pardon to all except former Confederate civil and diplomatic officers, men who had resigned Federal civil and military positions to serve the Confederacy, and officers above the rank of colonel in the army and lieutenant in the navy of the Confederacy, provided

they would subscribe to an oath of allegiance and accept the recent laws and proclamations respecting slavery. When a number equal to 10 per cent of the voting population of 1860 had thus pledged their loyalty to the Union, state governments might be organized with executive recognition. Lincoln made it clear, however, that he had no authority over the readmission of senators and representatives to Congress. In spite of the fact that he excluded, for the time being, the former leaders of the South from participation in the work of reorganization, he hoped that the majority of those eligible in the several areas under Federal authority would take the oath.

Only in Louisiana, Arkansas, and Tennessee, states that had been in part controlled by the army since 1862, was the plan actually inaugurated. With the aid of military commanders and governors appointed by Lincoln the oath was administered to the required 10 per cent, conventions were held, officials were elected, and regular state governments were established in Louisiana and Arkansas in 1864 and in Tennessee during the winter of 1864-1865. In Virginia the Pierpont rump government at Alexandria, which had continued in existence after the organization of West Virginia as a separate state in 1863, received the sanction of Lincoln.

### THE FIRST CONGRESSIONAL PLAN OF RECONSTRUCTION

Regardless of the enthusiasm in the North over the announcement of Lincoln's program of reconstruction, the radicals in Congress, who favored drastic punitive measures against the South, started a plan for reconstruction by congressional action. The result was embodied in the Wade-Davis Bill, passed July 2, 1864. This authorized the reestablishment of civil government as soon as half the citizens had taken the oath of loyalty to the Union. It specifically denied participation in voting and office-holding to those who had held state and national offices under the Confederacy or who fought voluntarily with its armed forces. The constitutions were to be so amended as to abolish slavery, disfranchise the higher civil and military officials, and repudiate all debts incurred in behalf of the Confederacy.

Although the provisions of this bill were mild compared with those eventually adopted, Lincoln felt that they were unduly severe. Hence he gave the bill a pocket veto. A few days later, however, he issued a proclamation stating that he was not unalterably committed to any plan of reconstruction, and that although he doubted the wisdom of the Wade-Davis Bill he was willing to recognize any state that organized under it. Its upholders were incensed both by the veto and by the proclamation and openly accused the President of playing politics. In retaliation they forced through Congress a resolution providing for the withholding of the electoral votes of the states reconstructed under Lincoln's plan. This action was followed by the passage of the "Twenty-second Joint Rule," which required the approval of both Houses of Congress, acting separately, to count the disputed electoral vote of any state. The radicals thus obtained a commanding position in the presidential elections, which they did not surrender until 1876, when the Republican Senate withdrew its consent to the joint rule and thus caused it to be invalidated.

The passage of the Wade-Davis Bill and its veto marked a serious break between Congress and the President on the question of reconstruction, because both in method of procedure and in character the plan was diametrically opposed to that of Lincoln. At this time the country at large, the President, and the majority in Congress did not favor general Negro suffrage, although the radical leaders strenuously supported it. Indeed, as late as 1864, Lincoln wished to see emancipation followed by deportation and colonization in some foreign land, for he did not believe that two races so different in characteristics and civilization could live together in peace and harmony. Nevertheless, in March, 1864, Lincoln wrote to Governor Hahn of Louisiana concerning the question of "whether," as a reward for loyal service to the Union and as a conciliatory gesture to the radicals in Congress, "some of the colored people may not be let in [given the right of suffrage], as for instance, the very intelligent, and especially those who have fought gallantly in our ranks. They would probably help, in some trying time to come, to keep the jewel of liberty within the family of freedom." In

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closing his letter he remarked that "this is only a suggestion" for consideration. The incorporation of such a provision as that in the constitution of one of the seceded states by the people themselves would naturally have had a desirable effect upon Northern public opinion; but, unfortunately for the Southerners, Lincoln's conciliatory suggestions were not adopted.

### THE THIRTEENTH AMENDMENT

Of far greater importance in the mind of the President than Negro suffrage was the adoption of an amendment to the Constitution abolishing slavery in the United States forever. As the Emancipation Proclamation and the other war measures of the government dealing with the question were only temporary expedients, some action needed to be taken to make them permanent. A proposed constitutional amendment had been before Congress on several occasions, but the hostility of the border states in particular had prevented favorable action. When the success of the Union arms in 1864 presaged an early collapse of the Confederacy, Lincoln asked Congress to reconsider the question. The result was the passage on January 31, 1865, of the Thirteenth Amendment, which prohibited slavery and involuntary servitude "within the United States, or any place subject to their jurisdiction." The enforcement of the amendment was purposely placed in the hands of Congress. The debates indicate that it was the clear intent of the advocates of the measure to give the legislative branch of the government ample power to prevent the reënslavement of the Negroes as serfs or peons as well as to nullify any obstructive tactics on the part of the former slave states. Although the measure was received with demonstrations of approval in the North, its ratification by the required three fourths of the states did not take place until December, 1865, and was accomplished then only after Johnson's reconstructed governments (to be discussed later) had with one exception acted favorably on it.

During the spring of 1865 Lincoln turned again to the question of reconstruction, and on a number of occasions he defended the justice and the practicableness of his 10 per cent plan. The

radicals were greatly alarmed. Sumner remarked that the President's utterances augured "confusion and uncertainty in the future, with hot contumacy." At his last cabinet meeting, held April 14, 1865, soon after the surrender of Lee, Lincoln outlined his policy. Regardless of the hostile attitude of Congress, he proposed to go ahead with his program. No executions or persecutions were to take place, and the former rebels were to be welcomed back into the Union and to be treated as "fellow citizens." It was well that Congress had adjourned, he said, for "we shall reanimate the States" before it "reassembles" in December. Unfortunately, however, this magnanimous policy was terminated by the assassination of the President on the very night of this cabinet meeting. As to whether or not Lincoln would have been successful in resisting the opposition of the radicals in Congress in fulfilling his program no one can say with definiteness. Though a bitter fight was most certainly awaiting him, his usual good judgment and a fair opportunity in future developments would probably have enabled him to carry through his plan with but few alterations.

#### ANDREW JOHNSON

The man who was to occupy the president's chair during the nearly four years that remained of Lincoln's second administration was a singularly proportioned individual. Though possessing a striking personality and marked ability as a leader, he was poorly qualified in many respects to lead the opposing forces of radicals and conservatives through the troublesome problems of reconstruction facing the government in 1865. Indeed, few people either in the North or in the South would have deliberately chosen Andrew Johnson for the task. His elevation to the vice presidency in 1864 came as a result of an attempt to establish the Republican party as a great nonsectional Union organization. From a political point of view his connection with the nonslaveholding Southerners, together with his patriotism and his recognized services to the Union during the war, marked him as a suitable man to consolidate the latent Union sentiment in the South. No large group of Republicans, however, wished

to intrust the problems of reconstruction to this extreme states'-rights Democrat regardless of his patriotic ardor or the extent of his services to his country. At the same time, both the "Copperheads" of the North and the secessionists of the South regarded him as an apostate and accordingly held him in contempt. Nevertheless his phenomenal rise to national prominence stamped him as a man of no mean ability.

Born of humble parentage, he was denied even the rudiments of a common-school education during his boyhood. Indeed, it was not until after his marriage in a village in eastern Tennessee, where he plied the trade of tailor, that he learned to read and write. There he entered politics as an exponent of the non-slaveholding class and rose rapidly through the offices of alderman, mayor, and member of both houses of the legislature to the Congress of the United States, which he entered in 1843. He served five terms in the House of Representatives, was elected to the governorship of Tennessee, and became a United States senator in 1857. After the conquest of central and western Tennessee in 1862, Lincoln appointed him military governor of that state. It was in the execution of this office that Johnson won national recognition. Although he was a clever speaker, he showed narrow-minded and vindictive traits and a tendency to question the honesty of those who disagreed with him — characteristics which weakened his influence and in turn caused his own conduct to be misinterpreted.

### JOHNSON AND THE RADICALS

Johnson took the oath of office on April 15. A few hours later he met the cabinet, all of whose members he urged to remain with him, assuring them that it was his intention to continue the policy of the late president. The cabinet of which he assumed the leadership was divided, as was the North as a whole, into two factions — one under E. M. Stanton, the Secretary of War, who was in sympathy with the radicals, and the other under W. H. Seward, the Secretary of State, who favored Lincoln's conciliatory program of reconstruction. At first the radicals were pleased with Johnson's accession to the presidency,

and some even professed to believe that Lincoln's death was owing to divine interposition. In congratulating the new president Senator B. F. Wade said: "Johnson, we have faith in you. By the Gods, there will be no trouble now in running the Government." To this Johnson replied: "Treason is a crime and crime must be punished. Treason must be made infamous and traitors must be impoverished." In his public utterances he manifested a marked spirit of vengeance not only against those responsible for the murder of Lincoln, a crime of which most Northerners felt that President Davis and other high officials in the Confederacy were the real instigators, but also against the leaders in the war for Southern independence. The spirit of conciliation that was prevalent at the time of the surrender of Lee now suddenly gave way to one of vindictiveness and hostility. Indeed, the popular rage was great, and Johnson naturally shared it. He proscribed numerous Confederate officials and was thinking seriously of ordering the arrest of Lee and other paroled generals when Grant intervened with so strong a negative that the project was dropped. So harsh were Johnson's threats that the more conservative of the radicals advised moderation. After making numerous arrests and imprisonments Johnson notified the Southern state governments that they must dissolve and be replaced by military governors pending the adoption and execution of a definite program of reconstruction.

### JOHNSON'S PLAN OF RECONSTRUCTION

Meanwhile Seward, having recovered from the wounds received from a would-be assassin at the time of the murder of Lincoln, returned to his regular duties, with the result that he soon neutralized the influence of the radicals over the President. Indeed, by the first of June, Johnson had turned a political somersault. At that time his policy in regard to the Southern states did not differ essentially from that of his predecessor; and his early harshness toward those who had fought against the Union had given way to leniency. Early in May he had recognized Lincoln's 10 per cent governments in Louisiana,



Arkansas, and Tennessee as well as the government headed by Pierpont at Alexandria, Virginia.

Johnson next turned his attention to the remaining seven states, over each of which a military governor presided. The feeling of confidence which he at first enjoyed gave him an opportunity for the development of his policies. Furthermore, the extraordinary powers exercised by Lincoln during the war, which Johnson inherited, and the vacation of Congress until December gave the new president abundant authority and at the same time removed the danger of legislative interference until any program that he might adopt had been well developed if not entirely completed. By the last of May he had formulated his plan and on the twenty-ninth he issued two proclamations, one of amnesty and the other providing a mode of reconstruction for North Carolina. In the first he promised to all who had "participated in the existing rebellion," with certain specified exceptions, amnesty and pardon with the restoration of property (except that in slaves), provided they would subscribe to an oath of loyalty to the Constitution and would agree to support all existing laws and decrees dealing with the institution of slavery. Of the fourteen classes not eligible to take the oath all but six were named in Lincoln's proclamation of 1863. The most significant of the new classes was that comprising persons worth \$20,000 or more. Against them Johnson had a deep-seated prejudice, for he believed that the war was a direct result of their machinations and selfish interests. All included in the excepted groups were privileged to make special application to the President with the assurance that clemency would be "liberally extended."

The second proclamation appointed W. W. Holden provisional governor of North Carolina with detailed instructions for the reorganization of the state government. Among other things it directed that "at the earliest practicable period" he should assemble a convention of delegates to alter the constitution. Only those who had been eligible to vote immediately preceding the passage of the Ordinance of Secession in 1861 and those who had taken the oath of loyalty prescribed by the proclamation of amnesty could participate in the elections and act

as delegates. The proclamation provided, however, that the convention or the legislature might determine thereafter the qualifications for both officeholding and electors. The laws of 1861, except those relating to slavery, were to be in force; and local Confederate officeholders who had taken the oath were to resume their former duties until permanent officials were chosen. Postmasters, judges, attorneys, marshals, and Treasury agents were directed to reestablish Federal authority as quickly as possible.

By the middle of July proclamations identical in tenor with the provision made for North Carolina named governors and arranged for the establishment of civil government in the other six states. So efficient were these governors in the performance of their assigned tasks that they administered the oath to the voters, held elections, and assembled new constitutional conventions before the end of October, except in Texas, where the meeting of the convention was delayed until the spring of 1866. Although all the men appointed to positions of responsibility in the respective states were residents thereof, no one of the governors, with the possible exception of Governor Hamilton of Texas, had supported the North actively in the war. Indeed, most of them, although at first opposing secession in 1861, had allied themselves with the Confederate cause after the withdrawal of their individual states from the Union. For the most part the appointive officials in Johnson's régime of reorganization were men of character and of unquestioned integrity.

When the various constitutional conventions assembled, Johnson through his appointed governors let it be known that the acceptance of the results of the war through the passage of specified public acts was an essential feature of his policy. Accordingly, with little opposition the ordinances of secession were either repealed or declared null and void and the institution of slavery was abolished. To the third major suggestion on which the President was insistent — namely, the repudiation of the Confederate war debt — considerable opposition developed. In the end, however, only South Carolina refused to comply with his wishes. With these tasks completed the conventions made such alterations in their respective constitutions as the immedi-

ate needs of the new condition required, and adjourned after brief sessions, leaving to the legislatures the difficult problems of social and economic reorganization.

### NEGRO SUFFRAGE

Although the question of Negro suffrage was not considered seriously in any of these conventions, the radicals in the North were giving it great publicity at that time; in fact, the administration's entire program of reorganization was being widely discussed and bitterly arraigned, and Johnson himself was subjected to criticism by the very men who had welcomed with enthusiasm his accession to the presidency a few weeks earlier. In the minds of a large and influential group of Northerners the only satisfactory solution of the problem of reconstruction was to extend to the Negroes all the rights and privileges, including that of suffrage, enjoyed by white men. Although the motives that prompted this attitude varied considerably, the general thought seemed to be the necessity of forestalling the reënslavement of the Negro in some form or other. Some felt that the granting of freedom was tied up with the general idea of democracy and the "republican form of government" described in the Constitution of the United States; while certain leaders, among them Thaddeus Stevens, believed that only by the building up of a powerful Republican party in the South through Negro suffrage could the fruits of the war be preserved.<sup>1</sup> Although Negro suffrage had not been agreed upon in any vote of Congress, not even in the Wade-Davis Bill of 1864, and although, furthermore, only New York, Vermont, New Hampshire, Massachusetts, Rhode Island, and Maine out of all the Northern states had accorded the Negro the vote, the question became by the middle of the summer of 1865 one of major importance among those involved in the reorganization of the

<sup>1</sup> In time these incoherent political groups, headed by such men as Thaddeus Stevens, Charles Sumner, Chief Justice S. P. Chase, Senator B. F. Wade, E. M. Stanton of the cabinet, Horace Greeley of the *New York Tribune*, John Greenleaf Whittier, Henry Winter Davis, and the abolitionists in general, united their forces in a desperate effort either to dominate the President's policy or to defeat it eventually in Congress and to discredit it before the country.

South. In the end Johnson adopted an attitude not dissimilar to that of Lincoln (pp. 17 ff.). This he announced in a communication to the provisional governor of Mississippi on the eve of the meeting in that state of the first of the Southern constitutional conventions. The President urged the granting of a limited suffrage to Negroes; namely, to those who owned real estate valued at not less than \$250 and to those who could read and write. Unfortunately, however, neither Mississippi nor any other of the seceded states saw fit to accept this wise advice, for it might have proved a sufficient concession to the radicals to have secured the approval of Johnson's policy in Congress. Meanwhile the ardor of the radicals was being fanned by the public remarks of the President that indicated his complete return to his former well-known proclivities in regard to states' rights. At the same time some of his important appointees in the South were indiscreet in both their conduct and their statements in addresses and publications. Not only did they condemn Negro suffrage in any form, but they were too outspoken in their praise of Johnson in contrast to the martyred Lincoln. Nevertheless, until the spring of 1866 the majority of the people of the North, and possibly of the members of Congress as well, were in sympathy with the President's policy. Indeed, in the three Northern states Connecticut, Wisconsin, and Minnesota, where the question of the enfranchisement of the Negroes was submitted to the people in the autumn of 1865, a surprisingly large majority was registered in every instance against the proposal.

### JOHNSON'S REORGANIZED STATE GOVERNMENTS

Immediately after the adjournment of the constitutional conventions in the seceded states, elections were held for the selection of Federal, state, and local officers, and the new legislatures convened a few weeks later. At the urgent request of President Johnson all these states, with the exception of Mississippi, ratified the Thirteenth Amendment. Accordingly, in December, this was declared to be a part of the supreme law of the land. Although the President intended to relinquish military authority over local and state matters as soon as possible after the

assembling of the legislatures, so many difficulties arose that his purpose was only partly realized. The facts that the Freedmen's Bureau assumed jurisdiction over the freedmen and that the army authorities insisted upon protecting directly, through the provost courts, all who claimed to be Unionists resulted in approximately one third of the population's not being subject to the authority of the state governments. The situation was complicated further by presidential orders and by the uncertain and hostile attitude of Congress. Moreover, the Federal departments were unable to find enough satisfactory men who could subscribe to the oath of loyalty for a complete reestablishment of all their functions. Indeed, two years elapsed before more than a third of the post offices could be opened, even though many women and "carpetbaggers" were appointed.

The restoration of self-government, however, was not accompanied by a withdrawal of military authority. Indeed, it was not until August 20, 1866, that the President issued a proclamation stating that peace, order, tranquillity, and civil authority prevailed throughout the nation. Even at that time Federal garrisons were stationed in all the strategic centers of the South; and the reconstructed governments, though functioning in most respects, had not been recognized by Congress. When Congress met in December, 1865, the radicals succeeded in inducing that body to refuse seats to the senators and representatives sent up to Washington from the reorganized states pending an investigation and report by a special joint committee of fifteen (nine from the House and six from the Senate) to "inquire into the condition of the states which formed the so-called Confederate States of America and report whether they or any of them are entitled to be represented in either house of Congress." This procedure indicated the purpose of Congress to ignore the work of Lincoln and Johnson and to devise a plan of its own. Not all the supporters of this action, however, favored a more drastic program of reconstruction than that devised by the President, but they felt a need for checking the growing power of the executive. At the same time the majority of Republicans both in and out of Congress were not in complete sympathy with Sumner and Stevens. Hence had Johnson been willing to accept

certain guaranties and to coöperate with the legislative branch of the government, the question of political reconstruction might have been adjusted quickly during the early months of 1866. Johnson was obdurate, however. Consequently, before the joint committee had completed its work the radicals were able to capitalize to their advantage the chaotic conditions that prevailed in the South.

### THE REËNTRANCE OF EX-CONFEDERATES INTO POLITICS

Meanwhile the Southerners were manifesting a spirit of dissatisfaction with the delay and the petty politics that became inextricably interwoven with the question of reconstruction. Nearly a year had elapsed since the termination of the war, and no single problem had been definitely solved. At the same time, in the North a strong drift in the direction of the radicals could be detected by the most superficial observer. In this dilemma the natural leaders of the South, ex-Confederates, most of whom had been debarred from participation in the reorganization of the government by the Amnesty Proclamation, gradually re-entered politics, regardless of the fact that pardons had not been granted them. Even before the end of 1865, high officials in the Confederate state and national governments as well as brigadier generals were to be found holding responsible positions in Johnson's newly organized governments; and when Congress assembled in December, many of the senators and representatives who went to Washington to seek recognition had been leaders in the Confederacy. The presence there of such a man as A. H. Stephens, the vice president of the Confederacy, could only provoke hostility and be interpreted as an unwillingness on the part of the South to recognize its defeat and to accept the consequences. In this, however, the South was misunderstood, for it was merely seeking to call forth its best leaders to assist in the solution of the grave problems that faced it.

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## THE "BLACK LAWS"

Few Southerners, however, appreciated to what extent the people of the late Confederacy were placing obstacles in the way of the acceptance by the North of the President's policy. Since the North and the South did not view the problems of reconstruction from the same angle, misunderstandings and misinterpretations of motives were inevitable from the beginning. Especially was this true in regard to the legislation of the two sections designed to fix the status of the nearly four million freedmen. In the North there was a tendency to overestimate the civilization of the former slaves and to underestimate their ignorance, their lack of training, and the length of time necessary under the most favorable conditions to make them intelligent and useful members of society. All realized, however, that a guardianship of some kind would have to be established. At the same time there was a tendency to distrust the Southerners and to see in their action a secret desire to preserve the substance of slavery under the guise of protective legislation. Hence the Freedmen's Bureau was established, with its ramified duties and its hundreds of agents to guide, protect, and supervise the economic, social, and political well-being of the Negro (pp. 10 ff.). From the beginning Southern communities resented the presence of the agents of the Bureau. Not only did they object to outside control of their domestic affairs by men whose motives were questionable and whose knowledge of conditions in general was limited, but they were filled with a genuine fear of the effect of granting unrestricted freedom upon the undeveloped Negro. They believed that the emancipated slaves were inferior to the whites and that their status in the new social order should be regulated accordingly. At the same time all agreed that emancipation was permanent, though few believed that social and economic equality either could or should prevail between the races. The South felt that the Federal war-time legislation was of a temporary nature and hoped that upon the political restoration of the seceded states it would be abandoned entirely. While recognizing that the old state regulations concerning the free Negro and the slaves were obsolete as a result of the war, it

thought that the blacks could not be brought at once under laws originally enacted for a white population.

Thus, when Johnson's state governments convened, their attention was first directed toward an attempt to bring some degree of order out of the social and industrial chaos on every hand. The passage during the winter of 1865-1866 of what came to be known as the "black laws" was the result. These were based in part on regulations of the various agencies of the Federal government in their relation to the freedmen, old laws for the free Negro, the vagrancy laws, the customs of slavery times, and the British West Indian legislation for ex-slaves. In most of the states the new codes were moderate in character; in others, particularly in South Carolina and Mississippi, they were harsh and showed a marked degree of discrimination. By these laws the hitherto servile race was set off as a distinct class, designated generally as "persons of color." It was assigned the usual civil rights, but with various qualifications. Intermarriage between the races was forbidden. When provisions for schooling were made, a rule for the separation of the races was included. The Negro was given his day in court; but in three of the states his testimony was limited to cases relating to Negroes. He was restricted in a number of states in his freedom to carry weapons, to travel, to preach, and to engage in trade. In Mississippi he could own land only in towns; while in other states this right was granted him only in the country. It was, however, in the laws relating to apprenticeship, vagrancy, and enforced punitive labor that the most objectionable features were found. In Mississippi orphans were to be bound out; and the punishment for a long list of petty offenses took the form of service for a definite period of years, preferably to the previous master. Severe as were the provisions of these laws, they represented an honest attempt to evolve a workable system with adequate protection for the two races. The fact that the white people were under the influence of the "black terror" was not appreciated in the North. The legislation, therefore, was natural, although it was neither right nor farsighted.

At the very time of the passage of the "black laws" the general restlessness among the freedmen was at its height. Indeed,



the Negroes' idea of freedom was crude and pitiful. Not only were idleness and crime general among them, but their belief that the estates of the planters were to be divided and forty acres and a mule assigned to each black family tended to aggravate the rebellious spirit among the Negro leaders and also to intensify the fear among the whites of a general Negro uprising against them. Hence until these delusions were destroyed neither life nor property was secure. Early in 1866, however, conditions were greatly improved, with the result that several of the states repealed their "black laws," and others modified them materially.

#### JOHNSON'S VETO OF THE FREEDMEN'S BUREAU ACT OF 1866

Although these laws were not passed in a spirit of defiance to the North, many Northerners thought they were; at all events their provisions were such that it became an easy matter for the radicals in the North to use them to arouse public sentiment against the acceptance of Johnson's entire program of reconstruction. These laws, together with the reëtrance of prominent ex-Confederates into politics and the general prevalence of acts of violence perpetrated for the most part by poor whites against the Negroes, proved especially effective in alienating the conservatives from the President. The first result appeared in a bill, introduced by Lyman Trumbull of the Judiciary Committee of the Senate and passed by Congress early in February, 1866, enlarging the scope and prolonging the life of the Freedmen's Bureau and empowering the President to extend military authority over any state that discriminated against the blacks. Its avowed intent was to secure complete civil rights to the freedmen and to guarantee them "equal and exact justice before the law." The application of the bill was limited to those states that had seceded, and it was to become inoperative only after the states had been reconstructed.

After considering the bill for a few days the President returned it to Congress with his veto. In the accompanying message he said that the act was unconstitutional; that it placed too much power and patronage in the hands of any one man; that it

would entail an enormous expense at a time when the government could not afford to be extravagant; that the measure was passed by a Congress in which eleven states were not represented; and that it was unnecessary. Although Trumbull defended the bill by a brilliant speech in the Senate, it failed to obtain the required two-thirds majority to override the President's veto. The hostility of Johnson to the measure appears to have been almost wholly unexpected, for up to that time he had given the Freedmen's Bureau his hearty support. Furthermore, most Northern people believed that such an institution was a necessity in the transition of the South. The fact, however, that the President had vetoed a bill which placed both power and a large patronage in his hands was proof of his patriotism. Nevertheless, in the light of future developments, it was a grave blunder. For one thing, it led to one of the most hotly fought political struggles the country has ever witnessed between the executive and the legislative branches of the government, a contest characterized by a vast deal of personal abuse. In the end it resulted in victory for the radicals and the adoption of their policy of reconstruction.

The Senate opened the fight at once. Congress, on the recommendation of the Joint Committee on Reconstruction, resolved not to admit to membership the senators and representatives from a seceded state until Congress had declared that state entitled to representation. Although at this time public opinion appeared to support the position of the President, he gradually alienated a host of his followers by rank indiscretions and soon placed the radicals in undisputed control of Congress. On February 22, when a delegation of citizens called to congratulate him on his veto, he delivered an undignified and highly intemperate address, in which he displayed an unjustifiable degree of egotism and of hostility to Congress. Upon the heads of Sumner, Stevens, and Wendell Phillips in particular he heaped invectives filled with sarcasm and a direct charge that an attempt was being made to destroy the fundamental principles of the government. Indeed, so objectionable were the President's remarks that their condemnation was well-nigh unanimous. The radi-

cals saw their opportunity and made the most of it. Johnson was branded as a Democrat and a Southern sympathizer and his conduct and his public utterances as unbecoming the occupant of his exalted office.

### THE CIVIL RIGHTS BILL

Partly to answer the "black laws" recently passed by Johnson's governments in the South and partly to force an issue with the President, Congress passed the Civil Rights Bill. This measure was based on the second section of the Thirteenth Amendment, which gave Congress authority to enforce with appropriate legislation the provision abolishing slavery and involuntary servitude. It conferred citizenship on all freedmen, guaranteed to them equal civil rights, and placed cases arising under this act under the jurisdiction of the Federal instead of the state courts. Although before the passage of the Thirteenth Amendment the right to confer citizenship belonged to the states, the supporters of the new bill argued that the granting to Congress of power to enforce the abolition of slavery placed this right within the power of the Federal government. In spite of the fact that four of his cabinet members and numerous friends, foreseeing the impending struggle with Congress, urged the President to approve the bill, he returned it on March 27 with his veto. At the last moment he was unable to overcome his former principles of states' rights and to hold in subjection his natural tendency to combativeness, especially when he was under personal attack. The moderates in Congress were inclined to support a conciliatory program of reconstruction for the South and feared further concentration of power in the national government as much as did Johnson; but they believed also that justice to the blacks in the South and the defeat of the "black laws" could be accomplished only by Federal intervention. In the Senate, Trumbull answered every objection mentioned in the veto message so conclusively that when the question came to a vote it secured the necessary two-thirds majority. A few days later it passed the House, 122 to 41. The breach between the President and Congress was now complete. The responsibility for his defeat

must be laid in part on Johnson himself, although something can be charged to the natural reaction of the legislative branch of the government against the executive following the war, during which the latter had assumed unprecedented powers, and to the fact that the President was the unfortunate victim of the excesses committed by the Johnson governments in the South as well as of the determination on the part of certain influential Republican leaders to perpetuate the Republican party in power by means of white proscriptions and Negro suffrage. The fact remains that Johnson was tactless, vindictive, and uncompromising. Furthermore he was poorly advised, particularly by Southerners and Northern Democrats whom he had recently taken into his confidence.

## CHAPTER III

### CONGRESSIONAL RECONSTRUCTION

#### THADDEUS STEVENS

Of the influential men who were members of the House of Representatives at the time of the passage of the Civil Rights Bill, by far the most spectacular was the "Old Commoner," Thaddeus Stevens of Pennsylvania. Stevens was born in Vermont in 1792. After his graduation from Dartmouth College he moved to Pennsylvania, where he taught school and studied law. He opened his first office at Gettysburg and soon built up a respectable practice. Entering the state legislature at the age of forty-one, he earned distinction through his defense of the public-school system. In 1849 he entered the national House of Representatives. In the debates of the following year on the slavery question it was natural that he should oppose every concession to the South, since during his entire life he had strenuously sponsored the cause of the Negro and on more than one occasion had lent his personal assistance to unfortunate fugitives. In the House of Representatives he rose rapidly to a place of power and influence. He was the leading parliamentarian of that body, and in 1861 became chairman of the Committee on Ways and Means. With a clubfoot that made of him a conspicuous figure, with a satirical and profane tongue, with an uncompromising attitude toward everything that smacked of aristocracy, and with exceptional abilities as a scholar and a debater, he became a dominating factor in the consideration of every question before Congress. At all times he was a violent partisan and a radical. Though he never forgot a kind act, he was vindictive and heartless in his assaults upon those who opposed him. At the close of the war in spite of his age and bodily infirmity he was unbroken in spirit. With the zeal of a crusader he threw himself into the struggle for the cause of the

emancipated Negro. His hostility to the policy of reconstruction formulated by Lincoln and Johnson, as has been shown, was so effective that by the early spring of 1867 he was in complete control of the situation.

### CHARLES SUMNER

The leader of the radicals in the Senate, Charles Sumner, was born in Boston on January 6, 1811. After his graduation from Harvard he soon attained eminence in the legal profession, and before he had reached middle life he was recognized as one of the ablest American scholars and an orator of the first rank. On his return from an extended trip in Europe in 1840 he became intensely interested in abolition. He participated in the organization of the Free Soil party in 1848, and three years later he entered the United States Senate as an avowed exponent of antislavery reform. His "New England conscience" found untiring expression in the debates on slavery that consumed much of the time of Congress in succeeding years. During the war he was chairman of the Committee on Foreign Affairs; and although theoretical and unpractical in his attitude toward many public questions and differing often with Lincoln, he was a confidential adviser of the President. In the Senate he endeavored to influence Congress to incorporate in legislation the extreme idealistic principles of the Declaration of Independence, and with tears in his eyes he pleaded repeatedly for the granting of full social, civil, and political rights to the freedmen; at other times he led long filibusters to prevent the restoration to the Southern whites of privileges which were fundamental in their conception of democratic institutions. Unlike Stevens, however, who appears to have had an affection for the individual Negro, Sumner had a purely intellectual sympathy for the race. Indeed, the mere presence of Africans was repulsive to him at all times. Although he was possessed of moral fervor and humanitarian idealism, he was practical enough to see the necessity of Negro suffrage to the continued control of the government by the Republican party. "It will not be enough," he said, "if you give it [suffrage] to those who read and write; you will not,

in any way, acquire the voting force which you need there for the protection of unionists, whether white or black. You will not secure the new allies who are essential to the national cause."

Of less importance among the radicals, who in 1866 gained control of Congress, were Henry Wilson, George S. Boutwell, O. P. Morton, Benjamin F. Butler, John A. Logan, Benjamin F. Wade, and Henry Winter Davis. Somewhat more conservative and practical were Lyman Trumbull and William Pitt Fessenden, who were largely responsible for much of the legislation on reconstruction.

### REPORT OF THE JOINT COMMITTEE ON RECONSTRUCTION

With the passage of the Civil Rights Bill over the veto of the President the question of reconstruction passed into the hands of Congress. Not only had that body become very jealous of the repeated executive encroachments on its powers, but its leaders had developed a hostility to Johnson and a lack of faith in his program for the restoration of the Union. No one in Washington in the spring of 1866 thought that the enactment of the bill would satisfy all parties in Congress. The radicals, in particular, were jubilant over the prospects of success and prepared hastily to capitalize the fortunate turn which political events had taken. They placed their chief reliance on the work of the Joint Committee on Reconstruction, which had labored continuously for several weeks. The committee's report to Congress, made on the last day of April, gave evidence of more interest in partisanship than in the attempts to solve the complicated problems at issue. After declaring that the seceded states had forfeited all constitutional rights and that the recently organized governments had no legal standing, it tried to prove that the South was hostile to the North, to the freedmen, and to the Unionists, and that the South's interest in the speedy restoration of the Union was prompted only by a desire to regain the prestige lost by the war and to fix through Southern initiative the new social and economic system brought into existence by the abolition of slavery. In order to safeguard the results of the war, therefore, the Joint Committee on Reconstruction deemed it advisable to deny the privileges of statehood to the

Southern states until certain guaranties had been incorporated in the Constitution in the form of amendments and had been assented to by the Southerners themselves.

The committee felt further that the main features of the Civil Rights Bill should be embodied in the Constitution. Especially perplexing was the question of Negro suffrage, on which even the radicals were still divided. Indeed, all the early measures that did not provide for it incurred the disapproval of Sumner and other leaders of the congressional group. Closely connected with this problem was the old three-fifths apportionment rule for the House of Representatives, which had become obsolete as a result of the passage of the Thirteenth Amendment. Since to allow the Southern states to count all Negroes in determining the number of representatives to which they were entitled, when the vote was denied the Negroes, did not seem fair, much time was spent in considering various proposals designed to force or to induce the Southern states themselves to extend to the Negro the right of suffrage.

#### THE FOURTEENTH AMENDMENT:

After weeks of discussion in Congress and careful consideration by the Joint Committee on Reconstruction, the Fourteenth Amendment was approved on June 13, 1866, by the necessary two-thirds majority in each house. In the first place, this important document conferred on Negroes full citizenship and prohibited the individual states from making or enforcing any law in abridgment of the privileges of citizens of the United States or from denying any person within their respective jurisdictions the equal protection of the laws. Next, it decreed that for the purposes of apportionment of representatives in a state all citizens should be counted, but that when the right of suffrage was denied "to any of the male inhabitants of such state being twenty-one years of age and citizens of the United States" the number of representatives should be proportionally reduced.<sup>1</sup>

<sup>1</sup> According to the census of 1860 the eleven seceded states had 61 representatives, 16 of whom were based on the three-fifths rule. If all Negroes were enfranchised, the representation would be increased to 70 members; but, on the other hand, if they were denied the suffrage, it would be reduced to 45



A third provision excluded from officeholding in the Federal and state governments anyone who had violated an oath previously taken to support the Constitution of the United States by taking up arms against it, unless pardoned by a two-thirds vote of each house of Congress. Still another section validated the national debt and prohibited the individual states from paying either the Confederate national and state debts or the losses to individuals incurred through the emancipation of their slaves.

The Fourteenth Amendment as thus approved embodied the main features of the offer of Congress in 1866 to the South. Though the extreme radicals were not satisfied with some of its provisions, they generally agreed that upon the acceptance of the amendment by individual states their readmission to the Union would not be further withheld. Johnson, however, refused to yield an inch and began to plan for the defeat of the new program. Of his attitude Sumner wrote, "He is indocile, obstinate, perverse, and impenetrable, and hates the education and civilization of New England." This estimate of the President was overdrawn. Nevertheless it is reasonably certain that had Johnson been willing to sacrifice some of his most objectionable ideas in reference to reconstruction a reconciliation of the executive and Congress could have been attained. Even in his cabinet there were dissensions, which resulted in the resignation of three members immediately following the submission of the Fourteenth Amendment to the states. Meanwhile Congress passed over the President's veto a bill continuing the Freedmen's Bureau for two years, and on July 24 readmitted Tennessee, which less than a week before had ratified the proposed amendment. Four days later Congress adjourned to await the action of the Southern states and the verdict of the people of the North as expressed in the autumn elections for the Fortieth Congress.

### DISORDER IN THE SOUTH

During the summer months publicity was given to the report made to Congress early in June by the Joint Committee of Fifteen on the conditions in the South. This accused the President of attempting to usurp powers which properly belonged to

Congress and enumerated a long list of instances to prove the contention. The Negroes, it declared, were without protection and subjected to daily insults and physical abuse, while the "rebels" themselves were unrepentant. Meanwhile several serious race conflicts in the South gave strength to the charges of the committee. Two days after the adjournment of Congress the white men who had secured complete control of New Orleans and partial control of the state government of Louisiana became embroiled in a street fight with the minority group composed of Negroes and white supporters of the congressional policy. The result was the loss in killed and wounded of one hundred and fifty-six Negroes and twenty of their white associates to only eleven of the Southern party. A few weeks earlier a similar conflict had occurred in Memphis between the Federal Negro troops stationed there and the local police. Before order could be restored the populace had taken part in the affray, Negro churches, schools, and residences had been burned in great numbers, and forty-six Negroes had been killed and about twice that number wounded. The fact that there, as in New Orleans, the white men's losses were small as compared with the Negroes' gave credibility to the charges of wholesale massacre and a determination on the part of the Southerners to exterminate the Negro race. Since riots of less magnitude and individual acts of violence against the freedmen were reported daily in the Northern press, public sentiment naturally veered to that held by the radicals.

#### THE PLEBISCITE OF 1866

Meanwhile the political campaign of 1866, in which one third of the senators and all the members of the House were to be elected, got under way. Both the executive and the leaders in Congress realized that the outcome of the controversy over reconstruction hinged on the attitude of the next Congress. If a majority proved to be with the President, his program was sure to be sanctioned, while a victory of the radicals meant its defeat. At first Johnson placed absolute confidence in the results of a direct appeal to the people, but before the end of the summer he rapidly lost his hope of carrying the Union party

with him. Southern expressions of approval of his program and the indorsement of his administration by leading Northern Democrats alarmed the Republican local partisans, who were more interested in the practical features of the spoils system than in the settlement of the Southern problem of reconstruction. Only after it was too late did Johnson realize that it would be necessary for him to build up a new party organization and, in doing this, to make the most of the patronage over which he had control.

In the meantime both factions made elaborate plans for the campaign. Johnson's supporters issued a call for a National Union Convention to assemble at Philadelphia on August 14. Delegates elected from every state comprised Republicans and Democrats alike. The national character of the assemblage was typified when on the first day the delegates from South Carolina and Massachusetts entered arm in arm. All the meetings were attended by an enthusiastic audience of from twelve thousand to fifteen thousand. The proceedings were conducted on such a high, patriotic, public-spirited plane that they made a decidedly favorable impression on the country as a whole. The resolutions adopted declared that "slavery is abolished and forever prohibited"; that the Southern white men ought to be permitted to resume the autonomy which they enjoyed before the war; that the Southern states were constitutional organizations and, as such, were entitled to full representation in Congress; and that the presidential plan of reconstruction embodied the legal as well as the logical program for the restoration of the Union. Unfortunately much of the good accomplished by the convention was destroyed on the day after its adjournment by the injudicious words concerning Congress uttered by the President in an address to the committee that notified him of the proceedings.

Even more damaging than his speech to the success of his program in the coming elections was his "swinging around the circle" on an electioneering tour. Leaving Washington on August 28 to participate in the ceremony of laying the corner stone of a monument to Stephen A. Douglas in Chicago on September 6, Johnson passed through Philadelphia, New York, northern Ohio, and Illinois to Chicago and returned by way of St. Louis and Indianapolis. In the leading cities through which he

passed Johnson delivered speeches of a distinctly partisan character, filled with egotistical remarks and abuse of those who opposed his policy in Congress. The press characterized the journey as "an indecent orgy"; and John Sherman wrote that the feeling against Johnson "was intensified by his conduct in his recent tour when he sunk the Presidential office to the level of a grog-house." The deflection of public opinion everywhere from the President to the congressional party was evident even to Johnson himself. In an effort to check this he began a wholesale removal of disloyal appointive officers and their replacement by his own adherents, but he accomplished little or nothing.

While Johnson was on his campaign tour his opponents also were busy formulating plans for the coming elections. A convention composed of Southern loyalists and a few Northern men met at Philadelphia on September 3. After charging the former secessionists with the murder of more than a thousand Unionist citizens since the surrender of Lee, they condemned the President's policy of reconstruction and approved that of Congress. On September 17 the supporters of Johnson assembled a Convention of Soldiers and Sailors at Cleveland. Although this meeting was well attended, no military man of first rank was a delegate. The last of the national conventions of the year met in Pittsburgh on September 25. It was composed of adherents of the radical congressional group. General J. D. Cox presided over its deliberations, and many prominent army and naval officers were in attendance.

Since in the state campaigns the question of reconstruction overshadowed all others, it was found when the returns were all in that the people had sustained Congress by a substantial majority. The Senate contained 42 Republicans and 11 Democrats; the House, 143 Republicans and 49 Democrats. Of the border states, Delaware, Maryland, and Kentucky were carried by the Democrats, and Missouri and West Virginia by the Republicans. With but few exceptions the Republican party organization in the various states passed into the hands of the radicals.<sup>1</sup>

<sup>1</sup> For a discussion of the tariff and the currency as they were related to the campaign of 1866 see pages 123-132.

THE REJECTION OF THE FOURTEENTH AMENDMENT BY  
THE SOUTHERN STATES

The election had shown beyond the shadow of a doubt that the people of the North would support Congress against Johnson in the policy of reconstruction; nevertheless neither Johnson nor the Southern legislatures organized under the President's instructions appeared to appreciate this fact fully. The offer of Congress to the ten states that remained to be restored, it will be recalled, was embodied in the Fourteenth Amendment, which, during and immediately after the political campaign, was before the Southern states for adoption or rejection. Johnson on his part stood firm, disregarding the fact that he had been thoroughly repudiated, and urged the Southerners to withhold the ratification of the proposed amendment. Accordingly they all followed his recommendation — three states by unanimous votes. This action, however, was not owing entirely to the President's influence, for other factors were involved. The amendment itself contained many objectionable features, among which was the so-called penal section, which barred the political leaders of the South from holding office. Governor Orr of South Carolina voiced the sentiment of most Southerners when he said, "Let us preserve our own self-respect and the respect of our posterity by refusing to be the mean instrument of our shame." If their comrades were to be disfranchised, if the Confederate debt was to be repudiated, and if Negro suffrage or a lower rank in Congress was to be imposed upon them, Southerners in general preferred to have these acts come from their conquerors rather than from themselves. Commendable as was this spirit, it may have brought them even greater humiliation in the end through the program that Congress adopted later. The attitude of Johnson has been severely criticized and justly so. Not only did he fail to recognize the mandate of the people as expressed in the elections, but he actually advised the Southern legislatures not to ratify the Fourteenth Amendment. If he had recommended favorable action some of them might have complied with his wishes and thus have been restored speedily to the Union.

It is exceedingly doubtful, however, whether this would have stayed the hands of the radicals, for Stevens, Sumner, and others were resolved to destroy the existing state governments in the South and to reorganize them on the basis of Negro suffrage and white disfranchisement. Early in 1867 Sumner, whose interest in the Negro was sincere, reminded the Republicans that "as you once needed the muskets of the colored persons so now you need their votes"; and Senator Wilson remarked that by enfranchising the 672,000 blacks and disqualifying a large number of the 923,000 white voters in the ten "rebel states" the Republicans could be maintained in power until the results of the war had been established beyond destruction.

#### ECONOMIC ASPECTS OF THE READMISSION OF THE SOUTHERN STATES

Closely associated with the desire to perpetuate the Republican party in power was the movement on the part of the business interests of the East to maintain the high protective duties which had been established during the war to offset the heavy taxes that domestic industry was paying. Indeed, the radicals of the East were the staunchest supporters of protectionism, and their constituents were the holders of a goodly share of the government bonds. For these and other reasons they were vitally concerned in the maintenance of a sound money policy. Consequently, with the West clamoring for the reduction of the tariff and the abandonment of the government's program of currency contraction, topics which will be discussed later, the protected interests of the East looked on the readmission of the Southern states to the Union with fear lest, with the added strength which these states would bring to the advocates of free trade and of the inflation of currency, the whole economic system on which the industrial East rested should be endangered. Since this situation was appreciated fully in all business and political circles, the defeat of Johnson's policy of reconstruction became an economic question of no mean importance. The South in alliance with the West and the advocates of free trade in the North and the East could and probably would dominate Congress. The situation

was reviewed thus by a Mr. Brewster of Newport in a letter to Charles Sumner: "In a selfish point of view, free suffrage to the Blacks is desirable. Without their support, Southerners will certainly again unite, — and there is too much reason to fear successfully, with the 'Democrats' of the North, and the long train of evils sure to follow their rule is fearful to contemplate . . . a great reduction of the Tariff doing away with its protective features — perhaps free trade to culminate with Repudiation, — for neither Southerners nor Northern Democrats have any bonds or many greenbacks, — and how sweet and complete will be the revenge of the former if they can ruin the North by Free-Trade and repudiation." Another of Sumner's correspondents stated: "Nobody can doubt that they [the Southern whites] will cast a Southern vote — a sectional Southern vote; which through a Northern alliance — say for free trade or anti-protection if you please — will bring them again into power." The *Commercial and Financial Chronicle* of New York and other papers in the East repeatedly voiced the belief that the reconstructed South acting in coöperation with the West would vote "solid to destroy the wealth-producing industry of the Loyal States."

To prevent this eventuality the protectionists in the East and the North resolved to do what they could to postpone the re-admission of the Southern states until this danger could be removed through the building up of a Republican party in the South by the enfranchisement of the Negro or by some other effective means. Meanwhile, acting in coöperation with the radical Republicans in Congress, they handled the situation skillfully. Not only was the issue cleverly disguised by a constant emphasis on the necessity of preserving the results of the war, but the importance of the maintenance of the high protective system was featured in the East while it was successfully dodged in the West as irrelevant. The result, as has been seen, was the overwhelming victory of the radicals in the congressional elections of 1866 and the sidetracking of the question of protection until the political status of the restored Southern states could be determined satisfactorily.

## THE RECONSTRUCTION ACTS OF 1867

When the Thirty-ninth Congress met in its short session in December, 1866, the radicals, finding themselves in complete control, hastily capitalized their favorable position. Indeed, a veritable revolution had taken place in that body within a few months. Under the leadership of Fessenden and Trumbull every bill before the first session had been carefully prepared and thoroughly discussed, whereas the acts passed by the subsequent session were characterized by impulsiveness, hatred, and purely political considerations rather than by matured reasoning. "Measures were decided before they were debated." The moderates were carried along in a hopeless *mêlée* by the domineering tactics of Stevens and Sumner. The blunders of the President, the state of lawlessness in the South, the rejection of the Fourteenth Amendment, and the victory at the polls in the elections, all added strength to the radicals. James A. Garfield expressed the sentiment of the majority in Congress when he said that the South "has at last with contempt and scorn flung back into our teeth the magnanimous offer of a generous nation. It is now our turn to act."

It must be admitted, however, that neither the motives of Johnson nor those of the Southerners were properly understood. Though the President was obdurate and unwilling to compromise, he had the interests of the country at heart. Always an advocate of states' rights, he naturally wished at this time to apply this doctrine to the South. Furthermore, he consistently urged the Southern legislatures to accord the Negro the largest measure of freedom, even a limited suffrage. When his policy of reconstruction was being established in the South, he telegraphed to the governor of Texas: "Make all laws involving civil rights as complete as possible so as to extend equal and exact justice to all persons without regard to color." In communications to other state officials he made similar requests. At the same time, when the facts are considered that nearly half the population of the South was composed of illiterate, untrained Negroes who had just acquired their freedom, that the country was suffering seriously from the war and the crop failure of 1866, that thousands



of idle soldiers, many of whom were lawless, and guerrilla bands were to be found in every state, and that the uncertainty of the future of the South was due partly to the conflicting policies of the executive and legislative branches of the Federal government, the extent of the violence and of the race disturbances seems comparatively small. As a matter of fact, the trend of legislation in the Southern states was distinctly favorable to the Negro. Governor Humphreys of Mississippi in a message to the legislature in October, 1866, said, "Now that the negro has shown a confiding and friendly disposition toward the white race and a desire to engage in the pursuits of honest labor, justice and honor demand of us full protection to his person and property, real and personal."

Prompted by this spirit the Southern states during the winter of 1866 and 1867 repealed most of the objectionable features of the "black laws" enacted the previous year. Everywhere conditions were becoming stabilized. But in the matter of the Fourteenth Amendment, as has been shown, the Southern people refused to be the instruments of their own destruction. Nevertheless ex-Confederates with but few exceptions accepted the two important decisions of the war — that secession and slavery were dead. Furthermore, they were endeavoring to render true loyalty and obedience to the Union. In time they would doubtless have accorded the Negro full civil rights. Indeed, there was nothing fundamental in either the attitude or the conduct of the Southern people in the spring of 1867 to justify the establishment of military rule and of unqualified Negro suffrage with white disfranchisement.

So bitter, however, was the feeling in Congress against both Johnson and the South that drastic action became inevitable. Attention was centered first on the President in an attempt to curb his power and destroy his influence. A series of measures took from the presidential office many of its recognized attributes and started proceedings looking toward the impeachment of the President himself. Early in January the franchise was extended to the Negroes in the District of Columbia, though the proposal had been defeated in a popular election a few weeks earlier, when only 36 affirmative votes had been cast. Similar

action was taken for the territories a little later. Meanwhile the question of the readmission of the ten unreconstructed states came up again for consideration. After being debated for two months the important features of a number of bills were incorporated in a single measure, which became a law (March 2, 1867) after it had been passed over the veto of the President. This was the first of three acts which together embodied the congressional plan of reconstruction.

The preamble to the first of these declared that "no State governments or adequate protection for life and property" existed in the ten unreconstructed states. Therefore the bill proposed to establish immediate "peace and good order" by dividing the seceded states into five military districts, in each of which a high military officer appointed by the President with the consent of the Senate should preserve order with or without the assistance of the local civil authorities as he might deem advisable. That done, it arranged for the election of delegates to state conventions to frame constitutions. These new constitutions were to make adequate provisions for Negro suffrage by extending the right of suffrage to all citizens regardless of race or color "except such as may be disfranchised for participation in the rebellion," were to be ratified by the people in popular elections, and were to be approved by Congress. The measure provided further that when any legislature established under a constitution thus adopted had ratified the Fourteenth Amendment and this had been declared a part of the Federal Constitution, the senators and representatives from that state, on taking an oath that they had never voluntarily borne arms against the United States and that they would support and defend the national Constitution, would be admitted to Congress and military rule would be withdrawn.

This act of March 2, however, was drawn hastily and provided no machinery for its execution. As it stood, it placed the initial steps in reconstruction in the hands of the Southern people themselves, who if they chose might remain under military rule. When it became evident that they preferred military rule to any government which might be established under the act of March 2, Congress on March 23 passed over the veto of the

President a supplementary bill.<sup>1</sup> This measure authorized the district commanders to superintend the registration of voters, the holding of elections, the assembling of conventions, and other details necessary for the complete restoration of the respective states. It imposed such a rigid oath of allegiance upon all voters, registrars, and officeholders that nearly two hundred thousand of the South's most intelligent citizens were disfranchised. Furthermore, it provided that a majority of the registered voters was necessary to the acceptance of the Constitution. Johnson at last bowed to the inevitable and ceased his opposition to the congressional policy. Although he disapproved of every feature of the new plan of reconstruction, he tried honestly to enforce it efficiently, and he made excellent appointments.

The new commanders, however, encountered many problems in the execution of their respective duties that the measures for reconstruction, some of whose provisions were indefinite, did not anticipate. The law allowed all to register who had not voluntarily served the Confederacy, but it did not confer on the registrars the right to judge whether or not anyone had served voluntarily. When this question was submitted to Henry Stanbery, the Attorney-General, he said that the registrars had no discretion in the matter and that all who offered themselves must be registered. Stanton of the cabinet strenuously opposed this interpretation on the ground that the President's jurisdiction in the matter was concerned only with the execution of the law and not with its interpretation. The radicals became alarmed, because by a general registration of all the whites in the South the whole congressional scheme might be thwarted. Consequently on July 19 a second supplementary act to remedy this situation, written by Stanton and introduced by one of his friends, passed Congress over the veto of the President. This gave the registrars the specific authority Stanbery had not found in the previous acts, and in various ways it sought to strengthen the authority of the military commanders and to

<sup>1</sup> Before adjournment Congress, fearing that the President would not execute its reconstruction program, issued a call for the assembling on March 4 of the new Congress composed of the members elected during the fall of 1866, since, except upon a summons by the President, they would not otherwise meet until the following December.

make them subservient to the "paramount authority of Congress." Thus these successive measures of Congress divested the President of his powers to an extent unparalleled in the history of the country.

### THE COURTS AND RADICAL RECONSTRUCTION

Although Congress had succeeded in asserting itself on the question of reconstruction in opposition to the President, many persons, including prominent congressmen themselves, had serious doubts concerning the constitutionality of many features of their program. It was inevitable, therefore, that the courts should be called on to remove these uncertainties. Not only Johnson and the Southerners, but conservative Northerners as well, thought they saw in the acts of certain individual states and of Congress an exaltation of military authority that constituted a menace to liberty. In this dilemma the courts alone possessed adequate power to hold in check legislation of this character.

In the case *ex parte* Milligan (1866), which concerned three men who had been convicted by a military commission for giving aid to the enemy, the Supreme Court ruled that neither the president nor Congress could declare martial law or try civilians by military tribunals in places where the civil courts were open. In January, 1867, in *Cummings v. Missouri* and *ex parte Garland*, — cases that concerned state laws in Missouri and Arkansas, respectively, prohibiting ex-Confederates from practicing certain professions, — the same court decreed that the legislation in question was *ex post facto* and hence unconstitutional. Though these three decisions were decidedly in favor of the conservatives, Stevens and his followers treated them with contempt and proceeded with the passage of the measures of reconstruction of March and July (pp. 47 ff.). The state of Mississippi brought suit in April, 1867, to restrain the President from executing the acts of reconstruction of March 2 and 23. Attorney-General Stanbery argued that the matter was purely political, that the President could be tried only by impeachment, and that the courts had no authority to interfere. The Court sustained this contention

and refused the injunction. Thereupon Georgia brought similar action against the Secretary of War, Stanton; but the Court, holding that an action that was illegal against the President was illegal against his agent, a member of his cabinet, denied this also. The unwillingness of the Court to become embroiled in the controversy then waging was evident. In 1868, however, in the case *ex parte* McCardle, which concerned a Mississippi editor who had been tried and convicted by a military commission for opposition to reconstruction, the Supreme Court asserted its jurisdiction. Previous decisions which declared that military law could not exist in time of peace indicated the action which the Court would take, but before the decision was rendered the radicals forced through Congress a bill (March 27, 1868) depriving the Court of the right to issue a writ of habeas corpus and to extend its jurisdiction over cases arising under the Reconstruction Acts. The Court on its part appeared to be pleased to be relieved of this complicated question and declared that it could exercise no jurisdiction.

### THE IMPEACHMENT OF PRESIDENT JOHNSON

The radicals were far less successful in their attempt to dominate the President than in their relations with Congress and the Supreme Court, although they made substantial inroads on his long-recognized powers. In spite of the fact that Johnson kept within the letter of the law and obeyed it when it was clear, hostility to him grew more intense as his administration advanced. In Congress this feeling found expression in its fixing the times of its own reassembling and in its refusal to recognize the Amnesty Proclamation and the President's policy of reconstruction, as well as in the legislation affecting the Freedmen's Bureau, the command of the army, and the restoration of the seceded states. Early in 1866 a movement looking toward the impeachment of Johnson was started, and during the next year no less than five attempts to obtain its approval by the House of Representatives were made. Though the President's opposition to the program of the radicals, his use of the patronage, and his tactless remarks caused many to fear that congressional

reconstruction could not be accomplished under his administration, his removal from office was a difficult matter, for the conservative Republicans would not support impeachment proceedings unless a reasonable indictment could be obtained against him. For weeks the radicals scrutinized every official utterance and act of the President in vain. In the end, however, they saw in the growing friction between Johnson and his Secretary of War, Stanton, an opportunity to encompass his destruction.

With this object in view Congress passed on March 2, 1867, the Tenure of Office Act, which stated that any civil officer whose appointment was confirmed by the Senate was "entitled to hold such office until a successor shall have been in like manner appointed and duly qualified," and that in the case of cabinet members the tenure should be "for and during the term of the President by whom they may have been appointed, and for one month thereafter, subject to removal by and with the advice and consent of the Senate." It provided further that in the case of the dismissal of a cabinet member during the recess of Congress a report should be made to the Senate within twenty days after it had convened, and it conferred on this body the power to order the reinstatement of the officer in question. Although the right of the president to remove cabinet members whose conduct or policies were objectionable had been generally recognized and frequently exercised, the Constitution was indefinite on the question. In fact, at the time of the passage of the Tenure of Office Act, Johnson and his entire cabinet, including Stanton, felt that the measure was unconstitutional and decided to test it in the courts when the opportunity came.

The estrangement between Johnson and his Secretary of War became more pronounced as time went on, but the President was reluctant to force Stanton's resignation. By midsummer of 1867, however, the coöperation of the latter with the radicals was so undisguised that drastic action seemed necessary. Accordingly on August 5, soon after the adjournment of Congress, Johnson against the advice of General Grant, Chief Justice Chase, and others sent a letter to Stanton asking for his resignation. Stanton in a violent communication flatly refused, denying the right of

the President to suspend him ; but when Grant showed an order of appointment as Secretary of War ad interim he yielded to "superior force."

When Congress reassembled in December, Johnson sent to the Senate a communication giving the reasons for the suspension of Stanton, and Stanton wrote a reply addressed to the same body. After due consideration the Senate, on January 13, 1868, by a vote of 35 to 6 decided not to concur in the President's action and notified Johnson, Grant, and Stanton to that effect. Grant then surrendered the office to Stanton against the wishes of Johnson, who, together with five members of the cabinet, had understood Grant to promise to retain the office until the constitutionality of the Tenure of Office Act could be brought before the courts in a test case. Upon Grant's denial that he had made such a promise, Johnson unwisely prolonged the controversy by an exchange of public letters with him with the result that Grant became angered and cast in his powerful influence with the radicals. A month later Lorenzo Thomas, the Adjutant-General, was named by Johnson as acting Secretary of War ; but Stanton refused to surrender the office.

The wave of indignation which swept over Congress at the news of Johnson's open violation of the Tenure of Office Act culminated on February 24, 1868, in a vote in the House of 128 to 47 initiating impeachment proceedings against the President because of "high crimes and misdemeanors in office." The Senate was formally notified the following day ; and early in March the trial was opened with Chief Justice Chase in the chair, as required by the Constitution. Although a president is impeachable for "treason, bribery, or other high crimes and misdemeanors," Johnson was not charged with either bribery or treason. The indictment, which consisted of eleven articles, was based upon the accusation of "high crimes and misdemeanors," the most important of which were the dismissal of Stanton contrary to the Tenure of Office Act, the malicious criticism of Congress, and the opposing of congressional reconstruction in general. The case of the House was presented by seven members, five of whom were radicals, and that of Johnson was managed by an array of attorneys second to none in the country. The defense maintained that

Johnson was acting within his rights when he took steps toward obtaining a decision of the courts on the constitutionality of the Tenure of Office Act and, further, that since Stanton had been appointed by Lincoln in 1862 and not by Johnson, the provision of the act that a cabinet member should hold office during the term of the president who appointed him and for one month thereafter had not been violated. So well was the case handled by Johnson's attorneys that it soon became evident that if a conviction was secured it must be on purely political grounds. The evidence fell ridiculously short of justifying the wild charges made against the President. Furthermore, it was shown that he had performed the unwelcome task of enforcing the congressional program of reconstruction with the nicest regard for law and precedent. When the test vote was taken on May 16 the radicals lacked one vote of the necessary two thirds to secure conviction. Although the arguments were prolonged until May 26, the hope of victory for the radicals had passed. Seven independent Republicans — among whom were Fessenden and Trumbull, men who had been active in the passage of the early congressional measures of reconstruction — voted with the Democrats, although every possible type of political pressure was brought to bear upon them. Two other Republicans were ready to vote for acquittal in case their help was necessary.

Shortly before the end of the trial Johnson had been induced to appoint General J. M. Schofield as Secretary of War. Although the nominee disapproved of many features of both the legislative and the executive plans of reconstruction, he had the confidence of the nation. The Senate readily confirmed his appointment, and Stanton quietly withdrew. With the termination of this trial the conflict between the executive and the legislative departments of the government practically ended. Although the radicals had forced through their program of reconstruction, their power at last was checked. At the same time Johnson had been effectually eliminated as a presidential possibility in the coming election, the preliminaries of which were already far advanced.



## CHAPTER IV

### CARPETBAG, SCALAWAG, AND NEGRO RULE

#### THE REESTABLISHMENT OF MILITARY RULE

While the radicals were putting forth every effort to remove Johnson from office, he, acting through the military commanders in charge of the five districts into which the ten unreconstructed states had been divided, was executing with dispatch the Reconstruction Acts of 1867. On the whole, the commanding generals were well chosen and performed the delicate task imposed on them with efficiency and with due regard for both the feelings of the Southerners and the vindictive spirit of the dominant group in Congress. Violent opposition to the execution of the new program of reconstruction was not expected, for conditions in the South were fairly satisfactory. Indeed, they had been improving steadily since the close of the war. To be sure, there were many race conflicts as well as a considerable amount of lawlessness in certain isolated sections; but this was to be expected as a result of the unsettled condition of the existing governments and the social and economic problems created by the sudden freeing of the millions of slaves. Notwithstanding all this, the Civil Rights Act was being enforced, the "black laws" had been repealed or suspended, and the Freedmen's Bureau and other governmental agencies were everywhere looking out for the interests of the Negroes.

The Southerners were much disappointed at the turn events had taken, for they could see no reason for the reestablishment of military government. Since, as a matter of fact, the majority of them had accepted the results of the war and had honestly endeavored to adjust themselves to the new conditions, they felt that the drastic measures imposed on them after two years of peace were founded on falsehood, ignorance of conditions in the South, and malice on the part of the radical leaders. Further-

more, the fastening of Negro suffrage on them when the Northern states generally rejected it seemed so preposterous that for a time they could not comprehend the motives that prompted it. They saw no justification except the purpose of the radical politicians to prolong their party in power. They showed no disposition to resist the military authority, however, for in general they preferred it to the civil authority exercised by their former slaves and by Northern interlopers.

The commanding generals appeared in their respective districts during March, 1867, and began at once the execution of the acts of reconstruction. These provided that state and local governmental machinery established under instructions from President Johnson should be continued as provisional organizations except that state legislatures were forbidden to meet. No elections were permitted and all appointments and removals were made from military headquarters. Although the freedom of the press and of speech were not interfered with except in a few instances, civil officers were not permitted to use their influence against the policy of Congress. Since the number of Southerners who could take the ironclad oath was limited, it became next to impossible in many districts to fill the offices with native white men. The commanding generals resorted in these instances to the appointment of Northerners who chanced to be in the South and to the assignment of army officers to civil duty in the state and local governments. The army units, consisting of less than twenty thousand men, were divided into small detachments and were stationed in some one hundred and fifty different localities throughout the South. Over the courts a close jurisdiction was exercised. Detailed instructions were issued concerning methods of procedure, the selection of juries, and rules of evidence. In many districts courts were closed, decrees were set aside, and military commissions were created to assume the functions of the courts; and in matters of taxation, appropriations for state funds, and the like the authority of the military governors was supreme.

## THE REGISTRATION OF THE VOTERS

The first definite step toward the reestablishment of the Southern governments under the congressional plan was the registration of the voters. The district commanders began the difficult task of selecting registrars and other election officials before the end of March and progressed so rapidly that they completed their work by October 1. Through the enforcement of the provisions for disfranchisement embodied in the Federal legislation on reconstruction, nearly two hundred thousand white men were excluded from the polls, while at the same time great care was taken to obtain the registration of the greatest possible number of Negroes.

The efforts of the Freedmen's Bureau and of the Union League of America were especially effective in interesting the freedmen in the exercise of their newly acquired rights, in weaning them away from the domination of their former masters, and in bringing about a firm attachment to the Republican party. The Freedmen's Bureau with its thousands of officials and its intimate contacts through the courts, its rations, its clothing, and its other philanthropies early ingratiated itself with the Negro; and by 1867 the Union League was equally powerful in breaking down the influence of the master. This latter organization came into being in the North in 1862 for the purpose of consolidating and utilizing loyalty, and spread rapidly throughout the Union. With the advance of the national armies into the South, branches of the league were established wherever Union sympathizers could be found. The admission of Negroes into the lodges or councils controlled by Northern men, however, caused the native white members to withdraw, with the result that by 1867 only those few remained who believed that the Negroes could be used for their own selfish political or economic advancement. Through this small group of native white men and the Northerners who were in the South on business the lodges of the league were established widely. The mysterious secrecy of the meetings, the elaborate ritual, and other initiatory ceremonies made a profound impression on the Negro. These societies made it possible for a few outsiders to control the freedmen by separating the races

politically and by allying the Negroes with the radicals. As a matter of fact, without this influence the freedmen either would not have voted at all or would have voted as their former masters directed. The league was at the height of its power at the time of the registration of voters under the radical plan of reconstruction, but as a political organization it had nearly disappeared by 1870.

The ignorance of the Negroes was so great that many ludicrous incidents occurred in connection with their exercise of the franchise. Multitudes did not know the state or county of their residence, their ages, or even their names. The voting lists in Charleston contained sixty-three Abraham Lincolns and forty-six George Washingtons, and Jackson, Jefferson, and other prominent men had a score and more of ebony namesakes. The Negroes registered promiscuously and often in several different places. In many localities there was so much repeating that the registered voters exceeded the total population. So vague were notions about the franchise that great numbers actually went to the polls with bags or baskets in order to carry it away.

While the Negroes were being led to the polls and registered, the white population showed the greatest apathy. Regardless of the earnest pleadings of the political leaders and of the press, they could be aroused to little interest in a Union restored by means of Negro votes. To be sure, thousands, because of their connection with the Confederacy, knew that it was useless to present themselves before the registrars, and many who took the required oath were denied registration on technical grounds.

When the registration lists were completed, it was found that 703,000 blacks and 627,000 whites were on the rolls. In five states — Mississippi, South Carolina, Florida, Louisiana, and Alabama — there were black majorities, and in the remaining five states the blacks and the radical whites together were in control.

The conservatives became thoroughly aroused, but it was too late. The Negroes had been welded into a solid political organization against which their old masters were powerless. Indeed, as a prominent editor remarked, the question "What shall be done with the nigger?" has given place to "What will the nigger do with us?" *The New Orleans Times* said, "The majorities of an intelligent, educated, and enlightened race, who have enjoyed

the blessings of freedom, civilization and Christianity for two thousand years, are to be nullified and overruled by the majorities of a race whose ancestors two hundred years ago were roaming savages and cannibals, and who themselves have just emerged from slavery." Protests from every section of the South poured in on Congress and on individual Northern leaders in a fervent appeal for a reconsideration of their case. Indeed, many Northerners who were friendly to the South or who disapproved of the policy of the radicals appreciated the full implication of the situation and deeply deplored it. On one occasion the *New York Herald* remarked: "We may regard the entire unreconstructed Southern States, with possibly one or two exceptions, as forced by a secret and overwhelming influence to a common and inevitable fate. They are all bound to be governed by blacks spurred on by worse than blacks — white wretches who dare not show their faces in respectable society anywhere. This is the most abominable phase barbarism has assumed since the dawn of civilization. It was all right and proper to put down the rebellion. . . . But it is not right to make slaves of white men even though they may have been former masters of blacks. This is but a change in a system of bondage that is rendered the more odious and intolerable because it has been inaugurated in an enlightened instead of a dark and uncivilized age."<sup>1</sup>

### THE NEW CONSTITUTIONS

The second step in the consummation of congressional reconstruction was the holding of elections to decide whether or not conventions should be called and, at the same time, to select delegates to them. These elections were held in nine of the states during the fall of 1867, and in Texas in February of the following year. The conservative white men, fully appreciating their inability to obtain control of the governmental machinery, resorted to strategy to defeat their opponents. Since the legislation on reconstruction required a majority of the registered voters to

<sup>1</sup> In 1865 Connecticut, Wisconsin, and Minnesota in popular elections rejected Negro suffrage. In 1867 Kansas and Ohio, the latter by a majority of 50,000, took similar action. Negro suffrage was defeated in Michigan also in 1868.

call the conventions in the various states, they thought it possible by their abstention from participation in the election, together with the noncoöperation of such Negroes as they could influence, to prevent the meeting of the conventions. The scheme failed in every single instance, however, in spite of the fact that those who remained away from the polls represented from 42 to 46 per cent of the total registered voters in five of the states. As a matter of fact, this policy of nonparticipation in the elections adopted by the conservatives was exceedingly unfortunate, because it gave to the radical party a clear majority in all the state constitutional conventions.

The white radicals included the two well-known groups: the carpetbaggers (much the more numerous class) and the scalawags. The carpetbaggers were for the most part ex-Union soldiers and agents of the Freedmen's Bureau and other governmental departments, who, after their terms of service, had remained in the South for economic or political reasons. Added to the white carpetbaggers were many mulattoes and Negroes from the North who had gone South to become leaders of their more ignorant brethren. Since, as a rule, the Northerners upon their arrival possessed so small an amount of worldly goods that it could be carried in a carpetbag, they were given their derisive name. Almost without exception their business ventures failed; but with the establishment of the permanent governments in the seceded states they entered politics and rose quickly to positions of influence because of the disfranchisement of the natural leaders of the South and the enfranchisement of the Negroes. The scalawags, on the other hand, were native Southern white men who affiliated with the Negroes and the carpetbaggers in the execution of the congressional policy of reconstruction. Their power was far greater in proportion than their numbers indicated, because they exercised tremendous influence on Negro votes. These scalawags were considered by Southern conservatives as traitors to both their section and their race and accordingly were hated even worse than the carpetbaggers. Both groups depended for their success, of course, on the Negroes, not because of the latter's influence in official positions but because of the numerical strength of their votes.

In all the conventions of 1868 the Negroes were represented by considerable delegations; and in South Carolina and Louisiana they outnumbered the white men — in the former, 76 to 48. The conservative delegates representing the minority were of fair ability, whereas the scalawags and the carpetbaggers were, for the most part, conscienceless soldiers of fortune, and the Negro members were not only inexperienced but ignorant except for a few leaders of unusual ability. Indeed, the percentage of literacy among the Negro delegates in the other states was not much greater than in the Alabama Convention, where only two of the sixteen Negroes could write, although more could sign their names.

The new constitutions, most of which were modeled after those recently adopted by states in the Northwest, contained many commendable features. For this reason they were praised by the radicals in Congress as abundantly justifying their policy. These documents purported among other things to guarantee equality in both civil and political matters to citizens regardless of race or color. They furnished plans for the establishment of a public school system, and some of them made excellent arrangements for the financial and revenue systems, the judiciary, and the machinery of local government. After incorporating the provisions of disfranchisement of the Fourteenth Amendment (an act which was required of them by the legislation on reconstruction), most of the states went even further in depriving white men who had participated in the war on the side of the South of the right to vote and particularly to hold office. Some of the states provided for mixed schools; and South Carolina made it a penal offense to call any citizen a "Yankee" or a "nigger."

#### THE READMISSION OF THE SOUTHERN STATES TO THE UNION

In accordance with the legislation on reconstruction the completion of the work of the various constitutional conventions was to be followed by double elections, in which the voters should select state and local officials and at the same time express their approval or disapproval of the constitutions of their

respective states.<sup>1</sup> Meanwhile the conservative white men in the South had come to a full realization of the significance to them of the establishment of the reconstructed state governments under Negro, scalawag, and carpetbagger control. Accordingly, in the requirement of the legislation on reconstruction that a majority of the registered voters approve the constitutions in the respective states they saw their only opportunity to prevent the proposed change. Although, to be sure, the accomplishment of their purpose would mean a continuance under military authority, they much preferred this to anything they could hope to obtain under the program formulated by the radicals in Congress. There were many men in the South, however, who, fearing that a rejection of the constitutions would result in the placing upon them of even more drastic restrictions, advised the acceptance of the new governments, distasteful as these might be.

The first election occurred in Alabama early in February, 1868. Through the wholesale abstention from participation in the election by the white men and through a considerable amount of intimidation of the Negro voters, the conservatives succeeded in holding the total vote below the majority. Congress, however, was not to be thwarted in the execution of its policy in this way. Indeed, the radical leaders had become frightened by the turn political events had taken in the North. During the fall of 1867 Pennsylvania had turned Democratic, and Ohio had elected a Democratic legislature and had defeated the Negro suffrage amendment to the Constitution by over fifty thousand. New York also was won by the Democrats by a majority of forty-eight thousand. In fact, in all the states where elections were held the Republican losses were striking. Hence, to counteract the decided trend toward the Democrats and to win the presidential election of 1868 the radicals realized that the Southern states must be speedily restored and must be reconstructed under Negro enfranchisement to secure beyond peradventure their con-

<sup>1</sup> It will be recalled that at this time there was in progress the struggle between the radical majority in Congress and the executive culminating in the sensational impeachment of the latter, and that party spirit and personal animosity were pronounced. To no small degree the developments in the South were influenced by these unusual proceedings at the national capitol.



trol by the Republicans. This, as has been seen, was inextricably involved with the determination of big business to maintain at all costs the protective tariff sponsored by the Republican party. Accordingly a bill was hastily pushed through Congress to allow ratification by a majority of the votes cast rather than by a majority of the registered voters. Meanwhile elections were being held in other Southern states. Thus by June new governments with the Republicans in complete control had been established in seven of them. In each instance the newly elected legislature promptly ratified the Fourteenth Amendment. By acts passed in June, Congress admitted into the Union seven states, — Alabama, Arkansas, South Carolina, North Carolina, Georgia, Florida, and Louisiana, — with the condition that "the constitutions of neither of the said states shall ever be so amended or changed as to deprive any citizen or class of citizens of the United States of the right to vote in said State, who are entitled to vote by the constitution thereof herein recognized." The military commanders thereupon turned the governments over to the state and local officials, although the Federal troops did not withdraw for some time.

By midsummer only three states remained unreconstructed — Mississippi, Texas, and Virginia. In Mississippi the constitution was defeated by an absolute majority. There as well as in Virginia the new constitution provided for sweeping disfranchisement of white voters. As a matter of fact the conditions were so drastic that the military commander in the latter state refused to authorize the expenditures necessary to finance the election. In Texas the radical and moderate Republicans were embroiled in a partisan struggle that delayed the framing of the constitution until after the adjournment of Congress in the summer of 1868. When Grant became president (March 4, 1869) he devoted special attention to the question of reconstruction in the three states where military rule prevailed. Upon his request Congress permitted the people in Mississippi and Virginia to vote on the constitutions and the disfranchisement clauses on separate ballots, with the proviso that each state must ratify the newly proposed Fifteenth Amendment. As a result the constitutions were approved and the proscription was

defeated. The fact that the conservative group secured control of the government in Virginia delayed action in Congress for a time. In the other two states the radical majority was undisputed. At last, early in 1870, the three states were reestablished, and the Union was again complete.

In Georgia, however, affairs were unsettled for some time. Because of the rash action of the conservative legislature in expelling the twenty-seven Negro members on the pretext that though Negro suffrage was legal the constitution did not grant the blacks the right to hold office, Congress refused to seat the congressmen from Georgia just chosen and, after some weeks of hesitation, restored military rule. The new commander acted vigorously, expelling twenty-four Democrats from the legislature, who he asserted were disfranchised by the Fourteenth Amendment, and restoring the evicted Negro members. The chief results of the action by the conservatives were to convince the North of the determination of the South to defeat the purpose of the legislation on reconstruction and to delay the restoration of civil authority in that state until July 15, 1870.<sup>1</sup>

### THE PRESIDENTIAL ELECTION OF 1868

While the impeachment proceedings were being conducted against Johnson and the congressional plan of reconstruction was nearing completion in the seceded states, the political parties in the North were laying their plans for the presidential election of 1868. The position of the Republicans was far less alarming than it had been after their reverses of 1867. In the seven states

<sup>1</sup> The complete success of the program of the radicals in Congress was halted considerably by the death (August 11, 1868) of their leader, Thaddeus Stevens. During his entire life Stevens had been noted for his intense feeling on public questions. As a merciless fighter he made himself hated by an unusually large number of his fellow citizens. Nevertheless, as a parliamentarian he had few if any equals in America. His ideals as a rule were on a high plane, although they were often obscured by the smoke of battle. That his confidence in the capacity of the Negro race was sincere was evidenced by his request for burial in an obscure cemetery with the following inscription on his tomb: "I repose in this quiet and secluded spot, not for any natural preference for solitude, but, finding other cemeteries limited as to race by charter rules, I have chosen this, that I might illustrate in my death the principles which I advocated through a long life, Equality of Man before his Creator."

that were restored to the Union in June the radicals were in undisputed supremacy, as they were also in Tennessee, Missouri, and West Virginia. Furthermore, the nominee of the party was assured of the votes of Nebraska, which was admitted to statehood in the spring of 1867 over the veto of the President.

At first considerable doubt existed concerning the probable standard bearer of the party. Chief Justice Chase, in whose bonnet the presidential bee had been buzzing in every campaign since 1852, had the support of certain radicals; and Schuyler Colfax of Indiana, the Speaker of the House of Representatives, had a considerable following. As the time for the holding of the national convention approached, however, the demand for the nomination of General Grant increased, regardless of the facts that his experience in governmental matters was limited and that his only vote for a presidential candidate had been given to the Democrat, James Buchanan, in 1856. During the whole of 1867 he maintained a neutral attitude toward the overtures of both parties and attended strictly to his military duties. After his break with Johnson early the next year, however, he aligned himself definitely with the radical group in Congress. Hence, when the National Union Republican party assembled in its national convention (May 20), all opposition to his nomination had disappeared. The vice-presidential nomination was given to Colfax.

The platform adopted by the convention declared for "equal suffrage" in the South and placed the party's stamp of approval on the reconstruction policy of Congress. It denounced as a "national crime" any form of repudiation of the public debt. The party pledged itself to formulate a program designed to encourage immigration, to administer the government with the "strictest economy," and to uproot the "corruption" which had been "so shamefully nursed and fostered by Andrew Johnson." The keynote of the Republican campaign, however, was supplied by Grant in his brief and characteristic letter of acceptance, which closed with the words "Let us have peace."

In the Democratic party there was much difference of opinion as to both policies and candidates. The conservatives, especially strong in the East, advocated a strict adherence to its funda-

mental principles: states' rights, tariff for revenue, hard money, and the promotion of the well-being of the masses of the people as against special classes. This faction for a time supported the candidacy of Chief Justice Chase, who expressed his willingness to accept the nomination, provided that the party would indorse Negro suffrage. Opposed to this group were the great majority of the political leaders of the West, where economic conditions were anything but satisfactory and where a surprisingly large percentage of the people were borrowers from Easterners, in whose hands also were most of the government bonds, free of taxes, issued during the war.

One influence on the party's affairs grew out of the fact that in 1866 Congress had empowered the Secretary of the Treasury to call in, at the rate of \$4,000,000 a month, the legal-tender notes, or greenbacks, which had been authorized by Congress on February 25, 1862. This retraction of the currency would manifestly injure the interests of the debtor class and benefit those of the creditors and bondholders. The cause of the borrowers was brilliantly espoused by George H. Pendleton, popularly known as "Gentleman George." Since Pendleton was from Ohio, the theory that he developed became known as the "Ohio idea." Among other things, he proposed to redeem the bonds issued after the passage of the legal-tender act of February, 1862, in lawful money rather than in gold, which was worth from 132 to 150, and not only to stop the policy of contraction adopted by the government in 1866 but to authorize new issues of legal tender. The inflation of the currency thus obtained would react to the benefit of the debtor class and would furnish an easy method of ridding the country of the public debt, for it would be replaced by noninterest-bearing legal-tender notes. The "Ohio idea" soon won popularity in the Western Democratic ranks and numbered among its advocates many influential Republicans. Their slogan, "The same currency for the bond-holder and the plough-holder," proved attractive not only in the West but in the East as well.

Accordingly, when the Democratic convention assembled in New York on July 4, the inflationists secured the incorporation of their policy in the platform, which provided among other

things that all government bonds not payable by their express terms in coin ought to be redeemable in lawful money, that government bonds should be taxed, and that the reconstruction acts of Congress were "usurpations and unconstitutional, revolutionary and void."

The selection of the presidential candidate proved far more difficult than the adoption of the platform. In addition to Pendleton and Chase, President Johnson, Thomas A. Hendricks, General W. S. Hancock, and others contested the field. After several days of balloting the convention agreed upon Horatio Seymour, the war governor of New York. General Francis P. Blair of Missouri received the vice-presidential nomination. Blair, who had been a confidential adviser of Johnson in his controversy with Congress, had stated in a public letter that the Democratic candidate, if elected president, should use the army to abolish the reconstructed governments established by Congress and to restore the situation which existed before March, 1867. This and other radical utterances of the vice-presidential candidate, as well as certain official acts of Seymour in New York during the war, were capitalized by the Republicans to their own advantage.

Though the returns showed that in the election Grant had carried twenty-six of the thirty-four states with an electoral majority of 214 to 80, his popular majority was only 300,000. Included in the Republican votes were those of nearly 700,000 blacks, through whose strength most of the reconstructed states had been won for the Republican ticket. This meant that Seymour had won more white votes than Grant. This was especially alarming to the radicals, since the restoration of white supremacy in several of the Southern states appeared to be near at hand.

### ULYSSES S. GRANT

The career of the new president, although different in many respects from that of his predecessor, was equally striking. Whereas Johnson had held over a long period of years a variety of public offices, from that of councilman in his native village to that of United States senator, Grant was almost wholly lacking

in political experience. Furthermore, his business ventures had met with almost complete failure. The war, however, had given him his opportunity, and from it he emerged as the nation's most popular hero. The presidency was the reward of a grateful people for his services to the Union, and as such he considered it. One of the first tests came in the choosing of advisers.

In the selection of his cabinet Grant neither sought the advice of the party leaders nor accepted it when given to him unsolicited. His appointments were therefore based on personal considerations, many of which proved unfortunate. After some difficulty, however, he secured the services of three able men — Hamilton Fish as Secretary of State, E. R. Hoar as Attorney-General, and J. D. Cox as Secretary of the Interior. George S. Boutwell, a safe but not a brilliant financier, became Secretary of the Treasury. Though Grant himself was honest, a group of selfish men won his confidence and, through their machinations, caused the responsibilities of government often to be forgotten and inefficiency and corruption to be made the order of the day. Indeed, in order to supplement his own deficiencies in knowledge of public affairs, Grant bestowed on those who held his esteem unlimited trust, which in many instances was betrayed. Furthermore, his ignorance of party affairs caused him to disregard party considerations and to act on his independent judgment as a direct representative of the people, with the result that rank favoritism and intrigue were too often the dominant factors in the determination of his policies. As has been seen, his attitude toward the South was at first lenient, but after his break with Johnson in 1868 he gradually fell under the influence of the radical group in Congress. Though he sped up the process of reconstruction in the states under military rule in the spring of 1869, his continued use of the military forces of the government in the restored states, as will be seen, intensified rather than improved the chaotic conditions in too many instances and postponed the reestablishment of native white supremacy and, with this, the stabilization of racial, economic, and political affairs.

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## THE FIFTEENTH AMENDMENT

When Congress assembled in December, 1868, an attempt was made to render absolutely secure the right of the Negro to vote in the South. It was then evident that neither the Fourteenth Amendment nor the reconstruction legislation of Congress would permanently guarantee to him that privilege. Furthermore, the constitutionality of this legislation was seriously questioned. Regardless of the reluctance of many Republicans to transfer the control of the suffrage from the states to the Federal government, Congress decided to embody this principle in the fundamental law of the land in the form of an amendment to the Constitution and to require the Southern states that remained unreconstructed (Mississippi, Texas, and Virginia) to ratify it as an additional requirement for their readmission into the Union. Consequently it passed the Fifteenth Amendment on February 27, 1869. In its final form this stated that "the right of citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of race, color, or previous condition of servitude." The inclusion of the words "nativity, property, education, or religious creed" along with "race, color, or previous condition of servitude" was strongly urged in the debates in Congress as a necessary precaution against the possible disfranchisement of the Negro and the total defeat of the purpose of the measure; but this advice was not heeded. As the amendment was quickly accepted by three fourths of the states, it was promulgated March 30, 1870.

## CARPETBAG, SCALAWAG, AND NEGRO RÉGIME

Meanwhile the reconstructed state governments in the South had been established with the carpetbag, scalawag, and Negro elements in complete control of all of them. In Georgia, North Carolina, and Virginia native white supremacy was restored after brief but costly experiences, while in the other states it required from four to eight years. Of the twenty men who served as governors twelve were carpetbaggers and eight were scalawags. As a rule the latter were honest but narrow and vindictive,

prompted too often in their acts by their hatred of the conservative classes rather than by desire for the public good. Though probably half the carpetbaggers were personally honest, they were, with scarcely an exception, unscrupulous in their political methods and sordid in their official conduct. One governor went so far as to declare: "Corruption is the fashion. I do not pretend to be honest, but only as honest as anybody in politics." The judiciary was equally corrupt and at the same time greatly inferior in ability and in political experience. Two hundred trial judges in South Carolina, among whom were many former slaves, were unable to read. Although the Negro contingent was large in all the states, it composed approximately two thirds of the membership of the legislature of South Carolina from 1868 to 1876. At one time the lieutenant governor, the speaker of the House, the chairman of the Committee on Ways and Means, and four of the five congressmen were of that race. In all, two Negro senators and thirteen Negro representatives were sent to Congress during the reconstruction period, and hundreds of others held important positions in the state and local governments.

Everywhere offices were multiplied and salaries were increased to meet the growing demand for patronage. The extravagant legislative appropriations were often tainted with flagrant dishonesty, with the inevitable result of higher taxes and greater bonded indebtedness. Indeed, in a number of states the taxes increased 200 per cent, those in Alabama 400 per cent, those in Louisiana 800 per cent, and those in Mississippi 1400 per cent. Local taxes advanced correspondingly. The result was a decrease in property values, the migration of thousands of Southerners to the West and the North, and the forfeiture of vast tracts of land to the government for nonpayment of taxes. In Mississippi alone these forfeitures comprised an area as large as that of Rhode Island and Massachusetts combined.

The most conspicuous feature of maladministration was in connection with the finances of the state and local governments. During the first four years of the régime of reconstruction the bonded indebtedness of all the states increased more than \$130,000,000 in addition to the vast sums collected by direct taxation. Though, to be sure, much of this was well secured by



liens on roads and other public or semipublic undertakings, too often the money was advanced before the projects were completed and in the end was a total loss. No small percentage of the money raised by taxes and bonds found its way into the hands of embezzlers and thieves by means of forged warrants, excess warrants, and other forms of graft. A typical illustration of rank extravagance is to be found in the free restaurant and saloon which South Carolina maintained for the use of its lawmakers at a cost of \$125,000 during a single session.

It should not be assumed, however, that nothing constructive was accomplished by the carpetbag, scalawag, and Negro governments, for such was not the case. Although graft and maladministration occurred in many instances, roads and other public improvements were begun and pushed forward with surprising rapidity. Bridges, levees, and many public buildings, such as schools and courthouses, which had been wholly or partly destroyed by the invading armies, had to be replaced. Of great significance in the development of the South was the program developed for primary, secondary, and higher education in spite of the fact that in a number of instances progress was hampered by the unwise attempt to establish mixed schools. Though many of these public projects were abandoned when white supremacy was restored, the most commendable features of the policies were ultimately carried to a successful conclusion.

### THE KU-KLUX KLAN

Despite the thoroughness with which the congressional policy of reconstruction as embodied in the legislation and amendments to the Federal Constitution was established, it was destined to be of comparatively short duration. From the very outset the work of the radical machine in the South was hindered by factional strife, which grew more bitter with the passing of time. Meanwhile both the interest of the North in the general elevation of the Negro and sympathy for the "persecuted Southern loyalists" gave way to a weariness of the eternal "Southern problem." Only the extreme radicals really desired to see the white men subjected to the domination of the untrained and

illiterate Negro race. As a matter of fact, with the rapid spread of incompetency and corruption in the reconstructed governments a greater degree of toleration was manifested everywhere and, along with it, a genuine desire to see the white men restored to full rights as citizens of the United States. Furthermore, the Southern white men themselves gradually regained confidence in their ability to manage the situation in their own way regardless of the machinations of their conquerors.

General apathy, therefore, gave way to action which, because of the character of the Federal authority, found expression in numerous secret revolutionary societies. Although many explanations have been made of the origin of the movement, that given by an Alabama newspaper editor is probably correct. He said that it was to be found "in the galling despotism that broods like a night-mare over these Southern States — a fungus growth of military tyranny superinduced by the fostering of Loyal Leagues, the abrogation of civil laws, the habitual violation of the national Constitution, and the persistent prostitution of all government, all resources and all powers, to degrade the white man by the establishment of negro supremacy." Whatever their origin, the secret societies in time came to have the same object: to recover for the white race their former social and political position, to subject the Negro to white domination, to restore order to the war-stricken Southern states, to preserve white civilization, and to remove the menace of Africanization.

From a multiplicity of local societies there gradually emerged two super-organizations — the Ku-Klux Klan, from which the general movement took its name, and the Knights of the White Camelia. The former was founded at Pulaski, Tennessee, in the fall of 1865 as an organization for social purposes. Discovering by mere accident that the superstitious Negro could be easily frightened into submission, the society was reconstructed with that object in view. It adopted gruesome costumes, elaborate initiatory ceremonies, and masked parades with telling effect on the attitude and the personal conduct of the Negroes. The order spread rapidly throughout the white counties of the South, with its main strength in the region to the north of the Black Belt. In 1867 the local chapters were consolidated into

a powerful and intricately organized national society. The Knights of the White Camelia was found for the most part in the Black Belt, although it had many locals in all sections of the lower South.

These revolutionary societies reached the height of their power about 1868. At first their influence was universally good. Peace was established, criminals were punished or frightened out of the country, and the more aggressive Negroes were brought under subjection. With the development of the governmental system established by Congress and the gradual loss of their influence over the Negroes, however, the societies supplanted their pacific system of intimidation by one of force. The harshness of the Federal punitive measures, together with the enfranchisement of the former slaves and the disfranchisement of the best men in every community, aroused the ire of the white men to such a state that the conduct of a large element of the population could not be held in restraint, especially in the sections of the South where civil government did not prevail. As late as 1868 thirty counties in Texas had no civil government and many others were only partially organized. Similar conditions, although not quite so bad, existed in all the Southern states. Thus it was easy for crime to thrive, for gangs to be developed, and for general lawlessness to prosper. In Texas, with a population of seven hundred thousand, the number of murders committed between 1865 and 1870 was variously estimated at between 1200 and 2000. The Freedmen's Bureau collected the names of 162 persons who had been murdered in Tennessee during the year ending July 1, 1868. Similar conditions prevailed in Kentucky and Missouri. In Louisiana, the scene of many bloody affrays, nine hundred or a thousand men are said to have lost their lives by violence during the five years following the termination of the war.

From all the other Southern states reports came to Congress of murder and violence, which the radicals in and out of the government presented to the public in a distorted way. Senator James Chestnut of South Carolina declared that the lawbreaking associations of the South were similar to the associations in other countries where the people were living under a "despotism." Nowhere, he continued, were these acts "countenanced by think-

ing or good men"; but, when arbitrary authority prevailed, parties "seeking redress for real or fancied wrongs" which they thought could not be "avenged through the government" found an expression for their pent-up feelings through secret organizations and personal acts of violence. The result was murder on every hand and widespread lawlessness, which frequently broke out in fierce race riots and pitched battles between the contending factions.<sup>1</sup>

With the growth of crime, which was naturally and, in many instances, rightfully associated with the Ku-Klux Klan and similar organizations, the better elements among the white men withdrew their membership. Unfortunately they were replaced by reckless and lawless men, who often used these orders as a cloak to cover their criminal acts. At the same time, in the North, where these developments were being watched with a critical eye, a wave of indignation and protest gathered. The result was the dissolution of the national Ku-Klux Klan in 1869 by the leaders themselves for fear the deeds of the individual members of the order might bring down on them the Federal army and the imposition of further restrictions of their liberties. The local orders, however, continued to operate for a number of years with no abatement of the lawlessness characteristic of the preceding three or four years.

### THE FEDERAL ENFORCEMENT ACTS

The radicals in Congress were thoroughly aroused by the unexpected complications in the consummation of their program. Their fears were intensified further by the conservative victories in Virginia, North Carolina, Alabama, and Tennessee in 1869 and 1870. Meanwhile the moderate Republicans in the North were deserting the radicals for alignments with the rapidly rising Liberal Republican movement, the extent of which was shown in the congressional elections of 1870, when the regular Republican majority in the House of Representatives was reduced from

<sup>1</sup> The decade following the war witnessed in the North as in the South an unprecedented crime wave. Furthermore, graft and corruption, as will be seen, were rampant in city, state, and national governments.

ninety-seven to thirty-five. The result was the passage in 1870 of the Enforcement Act, which imposed heavy penalties for infringement on the right to vote as secured by the Fourteenth and Fifteenth Amendments. As this measure did not accomplish the purposes intended, a supplementary act was passed the following year which gave Congress complete control over the election of members of Congress and authorized the appointment of thousands of deputy marshals to supervise these elections. Four years later the Supreme Court declared the essential features of this legislation unconstitutional on the ground that these amendments operated against the states and not against individual citizens of the states, over whom the states continued to have jurisdiction. In spite of the abundant evidence that the Ku-Klux Klan movement was the sporadic expression of social and economic demoralization, the radicals in Congress emphasized the political motive, picturing it as the forerunner of a new rebellion. The result was the passage of the so-called Ku-Klux Klan Act of April 20, 1871, which strengthened the hands of the judiciary in dealing with secret conspiracies and gave to the president despotic military power in maintaining order and upholding the Republican governments in the South. Under this act the writ of habeas corpus was suspended in various instances and military authority was reestablished in several counties in North Carolina. During the next ten years thousands of arrests were made and more than twelve hundred convictions were obtained. These enforcement measures met with the most outspoken opposition on the part of the Democrats and the moderate Republicans of any of the reconstruction acts, and it became increasingly evident that the radicals were nearing the end of their course.

Meanwhile certain concessions had been made to the moderates in Congress. By special acts of Congress forty-six hundred ex-Confederates who were disfranchised by the provisions of the Fourteenth Amendment were pardoned and were granted permission to hold office, and in 1872 a general amnesty act restored full citizenship to all the disfranchised groups with the exception of approximately five hundred individuals. The last of these received pardons at the beginning of the Spanish-American War

in 1898. The Amnesty Act did much to soften animosity and to restore mutual confidence both in the North and in the South. Unfortunately, however, free elections did not exist, in fact, could not, so long as Federal troops enforced Federal power in the South and interfered with the free exercise of the suffrage.

The last piece of partisan legislation, the Civil Rights Act, came after nearly ten years of agitation. Few if any questions connected with reconstruction had occasioned more debate than the subject of the social equality of the races. It was concerned primarily with the guaranteeing to the Negro by appropriate legislation of equal rights in hotels, places of amusement, and common carriers. Though the chief sponsor, Senator Charles Sumner, failed in his effort to induce Congress to include this program in its policy of reconstruction in 1867, it was embodied in the legislation of several of the states organized by Congress. Sumner, however, continued the fight. One of his last acts was to exact a deathbed promise (1874) from Senator E. R. Hoar to see that his favorite project was taken care of. The following year, with the support of many Democrats who believed that the passage of such an act would alienate all Southern white men from the support of the Republican party and, further, that the measure would not stand the test of the courts, the Civil Rights Bill — shorn, however, of its extreme features — became a law.

#### THE SUPREME COURT AND LEGISLATION ON RECONSTRUCTION

Meanwhile the radicals in Congress had met with further unexpected opposition to the carrying out of their program of reconstruction through several decisions of the Supreme Court. They had maintained confidently that the Thirteenth Amendment (which prohibited slavery and involuntary servitude), the Fourteenth (which defined a citizen of the United States and forbade a state to abridge his privileges and immunities), and the Fifteenth (which guaranteed the right of suffrage) had transferred from the states to the Federal government the duty of protecting all the fundamental rights of citizens, their liberty, their life, and their property. It was on this theory that the enforcement acts and other reconstruction legislation had been enacted. Indeed,

the entire decade following the war was characterized by the passage of a variety of laws of a nationalistic and centralizing nature. This tendency, however, was definitely checked by the Supreme Court. In a decision rendered in the Slaughter House cases in 1873, which concerned the constitutionality of a law of Louisiana that created a monopoly of the business of slaughtering cattle in New Orleans, the following interpretation was placed on certain provisions of the new amendments: the Fourteenth Amendment recognized a dual citizenship, state and Federal, with distinct privileges under each, and the state was forbidden to infringe on the privileges of the Federal but not on those of its own citizenship. Though the Court made no attempt to define the privileges under Federal citizenship, it declared that the amendment was passed to protect the freedmen from state legislation denying equal privileges to them as a class, that it was corrective of this state of affairs rather than creative of new rights, and that therefore it operated on the states rather than on individuals of the states.

In 1875 two essential sections of the Enforcement Act of 1870 were declared unconstitutional on the ground that they did not specifically limit the national jurisdiction for protection of the right to vote to cases involving race and color and to places where the right was denied by a state. In another case, in which the right of Negroes to assemble and bear arms was involved, the Court held that these rights were not essential to citizenship of the United States. The responsibility rested on the state and not on the Federal government to protect its citizens against their fellow citizens. The Fourteenth Amendment was intended to guarantee that the protection given by the state governments and laws should apply to all citizens alike, regardless of color or race. When in 1883 several cases of alleged violation of the Civil Rights Act of 1875 came before the Supreme Court, that court set aside, as it did in the case of the enforcement acts, the main provisions of the legislation on the ground that the Federal government had no jurisdiction over the rights of individuals in hotels, private conveyances, etc. Thus in these and in other decisions that might be cited the Supreme Court gave a restricted interpretation of the new amendments and, in so doing, restored

to the states much of the autonomy which they had previously enjoyed. At the same time it nullified the centralizing tendencies of the national government, under which much of the legislation for reconstruction had been enacted.

Meanwhile the conservative white men of the South were gradually regaining their lost supremacy. In 1869 they won Tennessee, and in 1870 Virginia, North Carolina, and Georgia. With these achievements the Southern moderates were forced to be content for three years, although they made substantial gains in several states. The year 1874 saw the return of Alabama, Arkansas, and Texas to the fold; and in 1875 the radicals were ousted from Mississippi. The manner in which the three remaining states — Florida, Louisiana, and South Carolina — came under white conservative control will be described in connection with the presidential election of 1876.

With the passing of time the reconstruction policy of the government came to be regarded as one of the great political, economic, and social blunders in America history. Among other things, it was responsible for the creation of the so-called "solid South," for the intensification of race antagonism, for the delaying of political reconstruction, and for the retarding of economic recovery.



## CHAPTER V

### DIPLOMATIC AND POLITICAL DEVELOPMENTS, 1865-1872

#### THE FRENCH IN MEXICO

In addition to the domestic problems which the Federal government was called on to face at the end of the Civil War, there were many complicated international questions, most of which had their origin during the period of the war. Especially unsatisfactory were the relations of the United States with England and France, both of which not only had been outspoken in their sympathies for the late Confederacy but had in a number of instances adopted policies that the North regarded as hostile and unneutral. At the time, however, the government was forced to content itself with mere protests. Nevertheless the resentment was so universal that after the collapse of the Confederacy the government endeavored to force a settlement with these two offending powers before the large army and navy were demobilized. The Northern people were proud of their achievements during the war and entertained little apprehension of the outcome of a war with either England or France. Intimately associated with this desire to redress the country's grievances was the ever-present yearning of the average American for territorial expansion. This feeling was strikingly pronounced in the mind and in the official conduct of the Secretary of State, W. H. Seward. These facts bore directly on the first difficult problem which he had to solve after the war, that of expelling the French from Mexico.

At the beginning of the American Civil War the Mexican Republic was in a state of chaos as a result of a long period of civil strife. Indeed, during the forty years of its independence thirty-six different governments had existed, and no less than seventy-three presidents had been installed, most of them by

force. Late in 1861 France, England, and Spain signed an agreement calling for joint naval and military intervention in Mexico to force that unfortunate republic to meet its financial obligations for the debts it had incurred and for the foreign property which had been destroyed or confiscated during the successive revolutions. Although the United States was asked to participate in this undertaking and was assured that no hostile act was anticipated against either the Mexican people or the Mexican government, Seward declined to have any part in it. Soon after the landing of the allied troops at Vera Cruz both Spain and England withdrew their contingents because of the aggressive designs of Napoleon III.

The real policy of this ruler was set forth in his instructions to his military commander in Mexico, July 3, 1862. "It is to our interest that the republic of the United States shall be powerful and prosperous," he wrote, "but it is not at all to our interest that she should grasp the whole Gulf of Mexico and rule thence the Antilles as well as South America. . . . If a stable government can be established we shall have restored to the Latin race on the other side of the ocean its force and its prestige; we shall have guaranteed the safety of our own and the Spanish colonies in the Antilles; we shall have established our benign influence in the centre of America." National honor and the commercial interests of France, he declared, imposed on her the duty of marching upon Mexico, "there boldly planting our flag and establishing perhaps a monarchy, if not incompatible with the national sentiment of the country."

Regardless of the determined opposition of Benito Juarez, president of Mexico, the French troops soon occupied central Mexico, including Mexico City. An assembly of notables was called, which upon the advice of the French established a monarchy and offered the throne to the Archduke Maximilian, brother of the emperor of Austria. The liberal-minded and talented duke, after listening to the fervent protests of the imperial family of Austria on the one hand and the solicitations of his ambitious wife, Carlotta, and of Napoleon on the other, accepted the proffered throne with many misgivings. On July 12, 1864, he arrived at Mexico City to begin his reign. To all this

Seward protested; but Maximilian, who had been assured by Napoleon of adequate military protection until his power had been consolidated, paid little heed. Meanwhile Juarez retired to the mountains and continued the war.

When, during the summer of 1865, the United States reopened the negotiations with France relative to the withdrawal of all French troops from Mexico, General Grant dispatched Sheridan with fifty-two thousand veteran troops to the border to await developments. With the possibility of war between Prussia and Austria in which France might become involved, and because of the persistent demands of the United States, Napoleon deserted Maximilian and began early in 1866 the withdrawal from Mexico of his troops, numbering some thirty thousand men. Soon after the embarkation of the last detachment in the spring of 1867, Maximilian, who had stubbornly refused to abdicate, was defeated in battle and captured by Juarez, who, after a military trial, ordered his execution. With the fall of Maximilian the republic of Mexico was soon reestablished at Mexico City. Seward deserves much credit for his tact and diplomacy in these negotiations, inasmuch as, without a war, he warded off the first serious threat to the Monroe Doctrine.

### THE PURCHASE OF ALASKA

Early in 1867, when the last of the French troops were being withdrawn from Mexico, the dreams of Seward, who was an ardent expansionist, were gratified by the unexpected offer of Russia to sell her American possessions to the United States. The "Alexander Archipelago," embracing Alaska and the Aleutian Islands, had a coast line of more than four thousand miles and an area greater than that of the original thirteen states. This domain was discovered and explored by Russia in 1728. In 1799 the Russian-American Company was chartered at St. Petersburg for the exploitation of the new territory. Trading posts were established, and a patriarchal form of government was instituted by the company. By 1867 these posts had increased to twenty-three in number and the white inhabitants to 2500. The Eskimo population was estimated at 8000 and the

Indians at 50,000. Though the average American had little knowledge of this territory and less interest in it, Seward had a keen appreciation of its ultimate value. Hence, after a few days of negotiation the price of \$7,200,000 was agreed on, \$200,000 of which was to go to quiet the claims of the Russian-American Company.

When the terms of the treaty were announced, the majority of American newspapers and of the members of Congress condemned it. The region was pictured as a frozen, desolate waste inhabited by hostile Indians and pirates, and the treaty itself as a "dastardly deed done in the dark," since the negotiations were completed in a single night session which prolonged itself until early morning. Sumner, in a three-hour speech before the Senate, gave an account of the history and resources of the country and represented the treaty as a significant event because it dismissed "one more monarch from this continent." "One by one," he said, "they have retired — first France; then Spain; then France again, and now Russia, all giving way to that absorbing unity which is declared in the national motto — *E PLURIBUS UNUM*." It was largely through his powerful support that the treaty was ratified (April 9, 1867). Congress provided a territorial form of government for the region and authorized the President to send there a scientific exploring expedition composed of navigators, botanists, geologists, and so on, to study its resources. Needless to say, the region has proved valuable beyond the expectations of the most optimistic, although the total population has remained nearly stationary.

#### REJECTION OF THE TREATY FOR THE ANNEXATION OF THE DANISH WEST INDIES

Though the withdrawal of the French from Mexico and the acquisition of Alaska were great diplomatic triumphs, Seward was not satisfied. He became more obsessed than ever with the desire for expansion. After several weeks of negotiations he signed a treaty with Denmark, late in 1867, for the purchase of St. Thomas and St. John in the Danish West Indies for the sum of \$7,500,000 in gold. Since this proposal had only a few

friends in Congress, it was acted on adversely by the Senate after a year of delay. Not only did the price seem excessive for seventy-five square miles when contrasted with the immense tract obtained from Russia for about the same sum, but the radicals in Congress had no disposition to add anything more to the prestige of Johnson and Seward. Had the treaty been approved, Seward proposed to follow it with others providing for the annexation of Hawaii and Santo Domingo.

### THE JOHNSON-CLARENDON CONVENTION

In his attempt to bring about an adjustment of the strained relations with Great Britain, Seward was equally unfortunate. Not only had many of the leading English statesmen openly expressed their sympathy for the Confederacy, but the government itself had been hasty in extending belligerent rights to the Southern states and exceedingly careless in the enforcement of its neutrality laws. This was particularly true in connection with the construction by English firms in English ports of ships designed for the Confederate government and in the treatment accorded to Southern war vessels when they chanced to enter British harbors. During the early part of the war many Englishmen expected the South to win; and they looked on such a result with favor, for an independent South would fit in almost perfectly with the economic interests of the home country. As late as June 30, 1863, Gladstone remarked in the House of Commons: "We do not believe that the restoration of the American Union by force is attainable. I believe that the public opinion of this country is unanimous upon that subject." Two months earlier Richard Cobden, a staunch friend of the North, estimated that nineteen twentieths of the members of English society were convinced that the Civil War could end only in separation. This state of public opinion, together with the interest of the business and governing classes, was doubtless responsible for the hostile attitude of the government toward the North. One of the most influential men of the period admitted later that the English politicians had put their money on the wrong horse.

Though the brilliant ambassador of the United States, Charles Francis Adams, registered protest after protest against acts which he considered unneutral, he accomplished little in influencing the government. Immediately after the conclusion of the war the United States instituted negotiations to obtain from the British government repudiation of its conduct and payment in money for damages inflicted as a result of that policy. Little or no progress was made, however, until January 14, 1869, when Reverdy Johnson, who had succeeded Adams in the preceding year, signed the Johnson-Clarendon Convention. The sudden change in the position of the British on this question was caused in large measure by the fear of retaliation by the United States in case England became involved in a war herself. Indeed, the United States, by following the course England had pursued during most of the Civil War, could let loose a fleet of destroyers of commerce sufficient in number to paralyze Britain's entire economic life. Furthermore, at that particular time Europe was just recovering from the shock of the Austro-Prussian War and was living in dread of a Franco-Prussian struggle in which the whole of the Continent might become embroiled again. Secretary Seward, however, who was desirous of ending his official career with a great diplomatic triumph, had sacrificed the main contentions of the United States. In regard to the claims for damages caused by the *Alabama* and other cruisers, the treaty provided merely that a joint high commission should pass finally upon all claims of citizens of either nation against the other.

When the Convention came before the Senate, Sumner, chairman of the Committee on Foreign Relations, delivered a spirited address in which he declared that the treaty contained no word of regret on the part of the British government, and that it should be rejected until such time as England should be willing to assume not only the direct damages inflicted on the commerce of the United States by the Confederate cruisers but all indirect damages as well. Under this latter head he placed many hundreds of millions of dollars for increased insurance rates, the transfer of American ships to foreign registry to escape capture, the unnecessary recognition of the belligerency of the South, and the cost of the prolongation of the war owing to the unneu-

tral attitude of the British government. As a substitute for the payment of such a vast sum Sumner suggested the transfer of Canada and England's other possessions in America to the United States. When the treaty came to a vote in the Senate, it was rejected 54 to 1. So preposterous were the demands of Sumner, however, that English sentiment caused a discontinuance of the negotiations.

### GRANT'S DOMINICAN TREATY

While the negotiations for the Johnson-Clarendon Convention were in progress President Grant's interest in territorial expansion led him into some ill-advised diplomatic ventures in the West Indies. The first of these concerned Cuba (p. 191 f.).

About the same time the republic of Santo Domingo, which embraced an area of approximately eighteen thousand square miles and boasted a population of more than one hundred and twenty thousand, was in the throes of civil strife, a condition which had characterized the entire life of the republic. Under the pretense that some foreign power was about to acquire the Bay of Samaná, which the Navy Department of the United States had coveted for many years as an admirable location for a West Indian naval base, Grant dispatched one of his private secretaries, General O. E. Babcock, to investigate the situation. Upon his arrival in the island Babcock discovered that the president of the republic, whose tenure was indeed precarious, was willing to dispose of not only the Bay of Samaná but the entire island. Accordingly he proceeded to negotiate a treaty for its purchase for the sum of \$1,500,000, a considerable portion of which was designed for the pockets of the Dominican president himself. Upon Babcock's return to Washington, Grant was highly elated, but the proposal received a cold reception by the cabinet. Fish tendered the President his resignation, but was prevailed upon to withdraw it. As a matter of fact he was actually induced in the end to support the President's scheme. Babcock, who had had no authority to make the treaty, was given the proper credentials and sent back to the island to renew the negotiations. However, when this treaty came before the

Senate, it did not receive the necessary two-thirds majority, largely as a result of Sumner's opposition. Grant, deeply chagrined at his failures, charged Sumner with breaking his promise to support the project. Out of this controversy there developed a quarrel between Grant and Fish on one side and Sumner on the other, which progressed with increased vehemence. In the end Grant persuaded the Republican caucus in March, 1871, to depose Sumner from the chairmanship of the Committee on Foreign Affairs, a position which he had filled with credit both to himself and to the country since 1861.

### THE TREATY OF WASHINGTON

Although Fish had supported Grant unwillingly in his Dominican treaty of annexation, he was rewarded by being accorded a free hand in the negotiations with Great Britain, a far more significant matter. This task was complicated by the indirect claims for damages in the case of the Confederate cruisers and by the widespread demand in America that the compensation to the United States take the form of the cession of Canada. The latter proposal had Grant's support. It was given further impetus by the fact that the British ambassador at Washington, Sir Edward Thornton, remarked on several occasions that his government not only was willing but desired to bring about a separation of Canada, but that it could not inaugurate the matter. Moreover, he said it was his opinion that the Canadian people were hostile to such a move and that so long as this was the case England would continue her present relationship. Great Britain was increasingly anxious to adjust the differences with the United States, since the European situation grew more and more threatening and the movement for Irish independence was gaining strength every day. If war came, Thornton declared, "It would be impossible to prevent retaliation and the ocean would swarm with *Alabamas*." It was this feeling that prompted the sending of Sir John Rose on a secret mission to the United States in January, 1871, to make a treaty to settle all matters of dispute between the two powers. These included the Civil War claims, the North Atlantic fisheries, and the boundary



between the United States and British Columbia in the region of Puget Sound, a matter which involved the ownership of San Juan and other islands. Since Fish met the British overtures in a friendly spirit, an agreement was soon reached to submit the question to a Joint High Commission. On May 8, 1871, the work of this commission was completed and was embodied in the treaty of Washington, which was ratified by the Senate sixteen days later.

By the terms of this document the controversy over the North Atlantic fisheries was turned over to a mixed commission, which after a prolonged consideration of the question reached a satisfactory decision defining the fishing rights of the two nations and condemning the United States to pay to Great Britain \$5,500,000. The Northwestern, or San Juan, boundary dispute was referred to the emperor of Germany as arbitrator, whose verdict sustained the American contentions. Other provisions of the treaty extended reciprocal commercial privileges to the traders of both countries on specified rivers in Alaska and New Brunswick.

The so-called *Alabama* claims required more careful consideration. Although the British commissioners were unwilling to assume direct responsibility for these, they expressed on the part of their government a regret "for the escape, under whatever circumstances, of the *Alabama* and other vessels from British ports, and for the depredations committed by those vessels" and declared their willingness to submit the question to arbitration. Accordingly it was decided to select five arbitrators, one to be appointed by each of the governments of the United States, Great Britain, Italy, Brazil, and Switzerland. Charles Francis Adams was the appointee of the United States, and Chief Justice Alexander Cockburn that of England.

The tribunal met at Geneva, Switzerland, on December 15, 1871, but it did not begin deliberations until the following summer. In "The Case of the United States," prepared by Bancroft Davis, claims were submitted for the indirect as well as the direct damages, although the instructions from the State Department included only the latter. The former were based upon the enumeration by Sumner in 1869, but had been discreetly abandoned by Fish in the negotiations previous to the treaty of Washington. When these indirect claims, amounting to more

than \$2,000,000,000, became known in England a wave of indignation swept over the country and, with it, a demand for the dissolution of the tribunal. Fish, becoming alarmed, let it be known that the indirect claims would not be pushed. Later, at the suggestion of Adams, the tribunal itself excluded these from their deliberations. Thus the question before the tribunal was a simple one. Did the British government exercise due diligence in regard to the escape from her ports of the *Alabama* and other Confederate cruisers? When the decision was rendered in September, 1872, the tribunal decreed, with Lord Cockburn alone voting in the negative, that the British government had not exercised due vigilance in preventing the escape of the vessels in question, and, furthermore, that it had failed in its duty as a neutral in the cases of three of the Confederate cruisers,— the *Alabama*, the *Florida*, and the *Shenandoah* with their tenders,— and it was adjudged to pay to the United States the sum of \$15,500,000. The decision was received with enthusiastic satisfaction in America; but in England, where the public had not been informed of the true merits of the case, the advisability of accepting the verdict of the tribunal was seriously questioned. In the end, however, Great Britain ratified the agreement and paid the sum stipulated.

The treaty provided for the appointment of a mixed commission to adjust the Civil War claims other than those growing out of the depredations committed by the Confederate cruisers. The decision of this body ordered the payment of \$1,929,819 by the United States to Great Britain. The settlement of these disputes by arbitration was a landmark in international relations, for until that date the modern world had not witnessed the adjudication by peaceful processes of a single question of a complicated and threatening nature.

#### THE BURLINGAME TREATY

While these negotiations were in progress events of great significance to the United States were taking place in the countries bordering on the Pacific Ocean. Coincident with the peopling of the American West was the establishment of diplomatic and

commercial relations with China and Japan, two nations whose combined population exceeded four hundred million, and whose governmental policies for several hundred years had been those of seclusion and nonintercourse with all other nations. From the beginning the United States, through the character of its diplomatic representatives and the apparent unselfishness of its policies, won the enduring affection of both the Chinese and the Japanese people. The international insight of Seward made him appreciate the part the United States might play in bringing these ancient peoples into closer contact with the rest of the world. Anson Burlingame, whom he appointed as ambassador to China, proved a fortunate selection ; for within a few months after his arrival in Peking he not only made himself a highly respected figure in the diplomatic corps but won the confidence of the Chinese government to such an extent that he was able to influence to a considerable degree the course of international affairs in that country. When he announced his intention of resigning his position as American representative to China in 1867, he accepted an appointment as head of a diplomatic mission of the Chinese Empire to the United States and the countries of Europe. The keynote of Burlingame's mission was thus expressed in one of his addresses in the United States, where his mission was enthusiastically welcomed : "That East which men have sought since the days of Alexander now itself seeks the West."

During the summer of 1868 he negotiated with the United States, through the Department of State, a treaty supplementary to that of 1858, which is properly known as the "Burlingame treaty." It extended to Americans extraterritorial rights in China and definite concessions in specified areas in certain treaty ports. Liberty of conscience and of worship were guaranteed to the subjects of each nation within the dominions of the other, and each pledged itself to maintain a policy of free and unrestricted immigration and emigration. Thus citizens of the United States could visit or reside in China on terms enjoyed by the subjects of the "most favored nation," with reciprocal rights for Chinese citizens in the United States.<sup>1</sup>

<sup>1</sup> After the completion of his mission to America, Burlingame journeyed to Europe with his diplomatic corps, where he was received enthusiastically.

With Japan the relations of the United States were equally satisfactory. Both the Perry and the Townsend-Harris treaties of the fifties proved highly acceptable to the sensitive Japanese people, although to a certain extent they had been forced upon them. By 1867 Japan permanently abandoned her age-long policy of exclusion and seclusion, and during the trying years that followed she drew freely on the representatives of the United States for advice in meeting the complicated domestic and international problems she was forced to face. It was to the credit of the Americans that this trust reposed in them was not abused. In the end it benefited the United States materially on many occasions. In 1860 and again in 1871 Japanese missions visited the United States and were courteously and enthusiastically received wherever they went. The result of these amicable relations with both Japan and China was indicated in a material way through the enormous increase in the import and export trades with those countries.

#### THE CUBAN REBELLION AND THE CASE OF THE *Virginius*

Far less favorable were the relations of the United States with Spain, whose authority then extended over Porto Rico and Cuba alone of her once vast dependencies in the Americas. Because of the continually depleted condition of the Spanish treasury on the one hand and the wonderful agricultural resources of these two colonies on the other, Spain levied upon them unusually heavy taxes. This, coupled with the arbitrariness and the corruption of the government itself, culminated in 1868 in a rebellion in Cuba with independence as the objective. Though the majority of the wealthy and intelligent islanders had little sympathy for this movement, it was of such magnitude that the Spanish government was able to quell it only after a ten years' struggle. On both sides the struggle was characterized by a wanton destruction of life and property in violation of all the rules of civilized warfare.

In the United States sentiment was overwhelmingly with the Cubans. Hundreds of Americans went to the island to join the armies led by the redoubtable insurgent commander in chief,

General Queseda, while thousands of others furnished money and munitions of war. Cuban exiles in New York City formed an "independent government of Cuba," asked the United States for recognition, began a campaign for funds, and used American soil as a base for the organization of military expeditions against Spain. Repeated protests against these acts were registered by Spain with the State Department at Washington, and the Spanish governor of Cuba on his part declared his intention of considering all vessels taking recruits and supplies to the insurgents as piratical. In the course of time he succeeded in capturing a number of American vessels laden with supplies and recruits for the revolutionary army. In one instance two Americans were actually executed. Because of the threatening attitude of the government of the United States, however, the order was soon modified.

Not long after his inauguration Grant prepared a proclamation extending belligerent rights to the Cuban insurgents; but Secretary Fish wisely withheld it on the ground that the rebels were conducting a guerrilla warfare, had no courts, no seaports, and no capital city, and did not occupy a single town of importance. The following year Fish induced Grant to promulgate a neutrality proclamation and to be more vigilant in suppressing the activities of the insurgent leaders and their friends in the United States. In the country as a whole, however, the demand for Cuban independence and even for war if necessary to attain that end appeared to be gaining considerable headway.

When the relations between the United States and Spain were thus strained almost to the breaking point, the *Virginius*, a well-known filibustering ship, was captured (1873) on the high seas, and fifty-three members of her crew and passengers, among whom were eight Americans, were shot as pirates. This act provoked such great indignation throughout the United States that war seemed imminent. Spain in the end made a number of concessions and two years later distributed \$80,000 among the relatives of those who had been executed. Investigation of the papers of the *Virginius*, however, showed that she had no right to carry the flag of the United States and that her American registry was fraudulent.

With the settlement of this question and the inability of the insurgents to make any marked progress against the Spanish military authority in the island, the war fever gradually subsided. To Fish, in particular, is due much credit for his sane and conciliatory attitude throughout the negotiations. Not only had he avoided immediate war, but through his good offices he continued to bring such pressure to bear on the Spanish government that it promised to the Cubans such economic and political reforms as satisfied in part the demands of the insurgents. Unfortunately, however, as will be seen later, few of these promises were kept, with the result that in 1895 the war was renewed.

#### LOW STANDARDS OF BUSINESS ETHICS

While Grant's administration attained a reasonable degree of success in its negotiations with foreign countries, its accomplishments in the field of domestic problems were of little consequence. In fact, in a surprisingly large number of instances the acts of public officials were prompted by selfish and corrupt motives. The President himself was so unsophisticated that he became an easy prey to flattering admirers, who sought to use his high office for their own political and economic advancement. So great was his gullibility that the most amazing frauds were perpetrated before an aroused public sentiment forced him to take action. Throughout the country the confusion and the unsettled conditions following the war, together with the hurried, aggressive growth of the country, presented ideal conditions for the speculator, the political manipulator, and the grafter. Even the press, which is influential at all times in molding public opinion, became notoriously corrupt. The newspaper-owners and the horde of reporters were alike in the pay of the corporation financier, who also subsidized and controlled the politicians in their quest for power. The candidates for state and national offices recognized this fact and vied with one another for their favor. Even the Democratic candidate for president in 1868, Horatio Seymour, in order to secure merely fair consideration, recommended that from \$3000 to \$10,000 a month be paid to each of about thirty newspaper reporters in New York City, because

these men determined the attitude of every "important newspaper in the country."

Furthermore, the multitude of war-time contracts and the numerous industries that sprang into existence as a result of the war created a new class of wealthy people, who for the most part had no scruples about either the methods of attaining wealth or the use of the power which it brought to them. In New York, San Francisco, and other cities they lived in exotic grandeur in the splendid palaces they had erected for themselves, and wherever they went in the pursuit of either pleasure or business they became offensively conspicuous. The millionaire, however, was not alone in the practice of a business ethical code that is generally condemned today. In every community were to be found great numbers of persons to whom the accumulation of wealth was the absorbing object in life; and the methods by which this end was attained, no matter how abominable, appeared to shock nobody. At the same time public opinion in general seemed to be silenced by prolonged experience with wrong. Those with sound consciences had come to believe in the hopelessness of protest or to be intimidated through fear of economic or political reprisal.

Especially obnoxious were the practices of the leaders of the rapidly expanding railroads of the country. Through the machinations of such men as Commodore Cornelius Vanderbilt, Jay Gould, James Fisk, Jr., and Daniel Drew, millions of dollars of watered and otherwise fraudulent stock were created and other millions were spent in the purchase of legislative protection. Indeed, so brazen and greedy did these railway magnates become that the European financiers who had played an important part in the promotion of American business withheld their funds from future investments. It was asserted that the prejudice against railway bonds in particular became such that one could not be sold in Europe even if it were "signed by an angel in Heaven." Meanwhile a similar reaction was developing in the United States, particularly among the small investors, thousands of whom had suffered serious losses.

## "BLACK FRIDAY"

Of all the sordid financial manipulations which characterized the period none was more spectacular in the boldness of its conception than the attempt of Gould and Fisk to corner the New York gold market. Early in the summer of 1869 these two financiers quietly began the accumulation of gold. Through the family connections of one of their henchmen, A. R. Corbin, who had recently married a sister of General Grant, they endeavored to win the confidence of the President and, through him, to influence in their interest the policy of the Treasury Department, which from time to time when the market favored it exchanged gold for bonds, a practice detrimental to the success of their plans. On several occasions these wily financiers entertained the President in a public or semipublic way and disclosed to him certain features of their scheme which would redound to the interest of the Western farmers, with whom Grant was known to have an abiding sympathy. They maintained that by an advance in the price of gold Europe would be induced to buy grain, for which she would pay in gold, and the increased demand thus created would result in a speedy movement of the Western surplus wheat crop to New York for shipment abroad. Incidentally, in addition to the profits to be derived from the accompanying stock manipulations, the Erie, a grain-carrying railroad, the major portion of whose stock was owned by Gould and Fisk, would reap a vast profit from the increased freight receipts. Of these ulterior motives, however, Grant evidently was ignorant. Eventually the President, conforming to the expressed wishes of the manipulators, instructed Secretary of the Treasury Boutwell to discontinue the disposal of gold from the government's reserve.

Gould and Fisk, taking advantage of the retirement of the President to an obscure place in western Pennsylvania, began the hasty purchase of gold. As a result of a rumor, however, purposely disseminated, that everybody in authority from the President to the doorkeeper in Congress was implicated in the speculation, the market became a scene of the wildest frenzy known in its history. From Monday, September 20, to the fol-



lowing Friday the price of gold rose steadily from 132 to 163½ before the crash came. Meanwhile Gould, who had foreseen an early failure of their undertaking, unloaded much of his stock, a considerable block of which went to his partner, Fisk. This was a fortunate move for Gould, for word had been sent to Grant of the real situation. The final collapse came almost immediately; for Boutwell, with the President's consent, released \$4,000,000 in gold from the Federal reserve. The price sank quickly to 135.

On this "Black Friday" hundreds of firms engaged in useful branches of commerce were seriously crippled, if not completely ruined. Fisk, however, through some legal technicalities and bankruptcy proceedings was able to repudiate his contracts, amounting to \$70,000,000, while Gould's timely disposal of his stock enabled him to reap a handsome profit. The fact that the two men continued their partnership would seem to indicate that the losses incurred by Fisk were only nominal. Although an attempt was made to implicate the President in the affair, a sweeping investigation by Congress cleared him of all complicity in the matter. His only error was his credulous kindness, which made him an easy mark for such clever plotters as Gould and Fisk. One outcome of the affair was a widespread revulsion of sentiment throughout the country against these pernicious business practices and universal condemnation of those who participated in them.

### MORAL COLLAPSE IN GOVERNMENT

Though Grant was painfully blind in his ethical perceptions, much of the moral turpitude characteristic of his administration of the national government prevailed even to a greater degree in a surprisingly large number of state capitals and city halls. Nowhere had civic responsibility kept pace with the immense growth of national wealth. With the increase in the size and the number of large business establishments seeking special privileges from legislative bodies the temptation to give and to accept bribes became overpowering. Indeed, so deplorable had conditions become by 1868 that *The Nation* declared, "There is

hardly a legislature in the country which is not suspected of corruption; there is hardly a court over which some suspicion does not hang." Countless lobbyists were sent to Washington and the state capitals to degrade political morality to a level which it had never touched before. Even so substantial a business man as Jay Cooke advanced in 1871 to prominent politicians and journalists, to secure their good will, approximately one million dollars.

In general, the special interests seeking favors from the government offered direct bribes to those willing to take them; and when they encountered the somewhat more cautious or conscientious, as the case might be, they granted them individual loans for speculative purposes, sold them stock at a price far below the actual value, and in other ways sought to cater to their social and economic aspirations. In not a few instances they found it less expensive and more satisfactory to obtain the nomination and election of their friends to responsible government positions than to attempt to influence officeholders after their election. Indeed, so well did they do their work that throughout the land their pensioners occupied positions ranging in importance from those of vice president of the United States, cabinet members, and congressmen to those of city councilmen.

While in the Federal government speculation in one form or another was rampant, in the customs offices, the postal department, and the internal-revenue bureau the succession of public exposures attracted far less attention than the downfall of the *Crédit Mobilier*, in which some of the leading men in Congress were involved. This organization, composed for the most part of the controlling stockholders of the Union Pacific Railroad, to which the government had granted land and other valuable concessions, was formed as a construction company. As directors of the railroad the members awarded to themselves (acting through the *Crédit Mobilier* construction company) the contract for building and equipping most of the road on terms that guaranteed them exorbitant profits. To safeguard against congressional interference with their plans, they resorted to a distribution of the stock of the *Crédit Mobilier* to congressmen on

favorable terms. Their plans, however, were soon disclosed. In the consequent investigations public indignation against the prevailing business standards found general expression. The revelations of the *Crédit Mobilier* were regarded as confirming the worst suspicions current in reference both to the methods of big business and to the influences pervading official life at Washington.

By a strange coincidence the Congress that conducted the investigation of the *Crédit Mobilier* inserted in an appropriation bill provision for substantial increases in salary for the president, the vice president, the cabinet officers, the Supreme Court judges, and members of Congress, and made the measure retroactive for two years. Although the salaries of all Federal officials were ridiculously low, the immediate result was an explosion of wrath in the press and through every other medium for the expression of popular feeling. The "back-pay steal" and the "salary grab" became themes for denunciation throughout the land. So alarmed did Congress become that at its session in December, 1873, it promptly repealed the unpopular measure.

In the state governments conditions in general were even worse than in the national government, because less publicity was given as a rule to legislative procedure. In New York, Pennsylvania, Illinois, Wisconsin, Iowa, Kansas, Nebraska, Minnesota, Missouri, and other states exposures of graft of one kind or another occurred during the single decade following the war. At the same time, in nearly all the large cities of the land political rings dominated the governments and took from the helpless taxpayers millions of dollars. In New York City alone "Boss" William Tweed in a period of less than ten years collected in graft and requisitions sums variously estimated at from \$50,000,000 to \$200,000,000. In Pennsylvania conditions were little better. There the treasurer of the state aptly adopted as his rule for guidance in public service the motto "Addition, Division, Silence." At first the general prosperity of the masses of the people, together with the low standards of business ethics which prevailed, caused acquiescence in these sordid practices. The evildoers, however, were no longer content with the comparatively meager concessions which they had obtained in the

past. Accordingly, with the growth of their brazenness and the waning prosperity of the people the inevitable reaction occurred, the results of which were felt by business for many years to come.

### GRANT'S POLITICAL BLUNDERS

Regardless of the success achieved in the field of diplomacy by Grant's administration its faults were so glaring that its prestige steadily declined. Not only did President Grant prove a poor judge of men, but his association with such characters as Fisk and Gould shocked those who wished to see dignity and poise in official life. Furthermore, as has been seen, his wretched appointments, which too often were tinged with nepotism and corruption, caused the better element in the Republican party, who had higher ideals for the public service, to cast about for means of reclaiming the party. Of the three men of national standing in the cabinet, two — the Attorney-General, E. R. Hoar, and the Secretary of the Interior, J. D. Cox — were forced to resign in 1870. Since the latter, through his attempt to introduce and extend the system of competitive examinations for civil service into the customs department and other branches of the government, had antagonized the political ring on which Grant was leaning for official guidance, and since this program ran counter to the desire of the ring to control the patronage, his removal became a necessity.

### THE CIVIL SERVICE ACT OF 1871

The forced resignation of Cox, however, gave such an impetus to the cause of civil-service reform that in the congressional elections of 1870 a mild rebuke was given to the administration. While the Democrats gained only four seats in the Senate, the Republican majority in the House was reduced from 101 to 35. Grant was thoroughly alarmed at these results. In his message to Congress on December 5, 1870, he condemned the existing system of political appointments and recommended the establishment of competitive examinations in the civil service. For a number of years Thomas Jenckes in the House and Carl Schurz and others in the Senate had been stanch advocates of

this system, but they had not got beyond the appointment of a congressional committee of investigation. In March, 1871, however, the friends of civil-service reform succeeded in securing the passage of a bill which authorized the president "to prescribe such rules and regulations for the admission of persons into the civil service of the United States as will best promote the efficiency thereof" and, further, to appoint a commission to formulate rules and regulations to determine "the fitness of each candidate . . . for the branch of service into which he seeks to enter." Grant appointed to the post of Civil Service Commissioner George William Curtis, an ardent advocate of the system and a man of recognized integrity. Since the leaders of Congress, however, had little sympathy with the movement, they so tied the hands of the commission by appropriating only \$25,000 for the organization and promotion of the work that little was accomplished. Grant on his part, while publicly approving the general plan, made little effort to influence Congress to give it the support necessary to its success. Indeed, the fact that his closest friends and confidential advisers were spoilsmen made him hesitate to go counter to their wishes. The reformers, of course, were quick to sense this situation. Accordingly they directed on the President and the conservatives a well-organized attack, which resulted in the alienation of Grant and the refusal of Congress to continue the appropriations for the work of the commission. Thus, without funds, Curtis was forced to resign, and the legislation of 1871 became a dead letter, although the law itself was not repealed.

### THE LIBERAL REPUBLICAN MOVEMENT

Meanwhile the refusal of the Republican administration to repeal the income tax and certain other war-time taxes and to reduce the tariff caused many former partisans to break with the organization. At the same time the harsh restrictions placed on the Southern states as a condition of their readmission into the Union, together with the disfranchisement of the better element among the white men and the enfranchisement of the entire Negro population, encountered a steadily increasing oppo-

sition among the liberal elements in the North. In them the belief was well grounded that the issues of the war should be dropped and that the South should be let alone to work out its own destiny. They saw that the centralizing tendencies of the enforcement acts as well as the repeated interference of the military in the internal affairs of the former Confederate states, by which alone some, at least, of the reconstructed governments were maintained in power, were entirely out of harmony with the fundamental principles of the government as well as with its practices for three quarters of a century. Moreover, they felt that reforms in the administration and in the revenue were absolutely necessary, and that because of the political alliances of the President they could be accomplished only through the election of someone other than Grant to the presidency.

This political revolt, commonly known as the Liberal Republican movement, really began in 1870 in Missouri, where the disfranchisement and proscription of Confederate sympathizers took an extreme form. In that year Senator Carl Schurz and B. Gratz Brown, against the advice of Grant, led an independent movement which, through the coöperation of Democrats of the state, resulted in a thorough revision of the constitution, the removal of the restrictions that had previously been placed on ex-Confederates, and, in short, the adoption of a policy of conciliation and peace. The success of this experiment was so satisfying that it attracted wide attention throughout the nation, especially among the opponents of the government's Southern policy. By the spring of 1872, therefore, the reform elements were to be found in all parts of the Union, enlisting such men as Senator Lyman Trumbull of Illinois, Senator Charles Sumner and Charles Francis Adams of Massachusetts, Senator R. E. Fenton of New York, A. G. Curtin and A. K. McClure of Pennsylvania, J. D. Cox of Ohio, and the leading independent journalists, among whom were Horace Greeley, Horace White, Murat Halstead, Samuel Bowles, and Henry Watterson. After a rather widespread exchange of sentiment among these leaders, the Missouri Liberals issued a call for a national convention in Cincinnati on May 1, 1872, with a view to making nominations for the approaching presidential election.

## THE PRESIDENTIAL CAMPAIGN AND ELECTION OF 1872

When the Liberal Republican convention assembled at Cincinnati the prospects of the reformers for success in the coming campaign were very bright, for not only had the movement attracted to it many of the more substantial Republican politicians but it bid fair to win the support of the Democratic party as well. The problem of harmonizing the opinions of the various reform groups, however, proved unexpectedly difficult, though they all shared in a common desire to prevent the reelection of Grant. The platform finally adopted by the convention agreed that "a thorough reform of the civil service" was one of the "most pressing necessities of the hour," and demanded in the government's policy toward the South "the immediate and absolute removal of all disabilities imposed on account of the rebellion" and local government for the states. On the question of the tariff, however, no agreement was reached other than the meaningless statement, "We remit the discussion of the subject to the people in their congressional districts and to the decision of Congress thereon, wholly free from executive interference or dictation." It was on the selection of a candidate for president that the convention met its greatest difficulty. After much political bickering three able and highly respected men, Adams, Trumbull, and Brown, were set aside in turn and the coveted honor was bestowed on Horace Greeley, who of all the candidates was least qualified to lead the party to victory. Though the result was a great disappointment to Schurz and other originators of the reform movement, they acquiesced in the decision. Brown was awarded the vice-presidential nomination.

As *The Nation* expressed it, "Greeley appears to be 'boiled crow' to more of his fellow citizens than any other candidate for office in this or any other age of which we have record." At the time of his nomination Greeley was sixty-one years of age. He was essentially a self-educated man, having advanced from farm boy to printer and then to editor of the most influential paper in the land. Though his learning was not deep, he had acquired a vast amount of superficial information about the widest variety of subjects. A theoretical reformer and propa-

gandist by instinct, he was often led by his enthusiasm into the advocacy of ill-conceived projects. Furthermore, he was deficient in judgment about other men and was inclined to abuse and belie those who disagreed with him. In personal appearance he presented one of the most grotesque pictures in American history. He had a round, effeminate face framed to his ears with neck whiskers; and he was clothed in garments of various colors and designs, conspicuous among which were usually a soiled white coat and a white hat. Thus he was a noticeable figure wherever he went. For many years he had exerted a profound influence on governmental policies. He had, moreover, an insatiable desire for office and an extraordinary vanity — characteristics which often led him to sacrifice sound principles and to contract alliances with unscrupulous politicians.

When the Democrats learned of Greeley's selection by the Liberal Republicans, they were in a quandary to know what action to pursue. The nominee had been for years the most outspoken and abusive enemy of the Democratic party in the country. He had, however, consistently opposed the drastic policy of reconstruction supported by the radicals in Congress. While this opposition appealed to Southern Democrats, his advocacy of a protective tariff was objectionable to the Northern members of the party. They realized, however, that Grant could be defeated only by their union with the Liberal Republicans; hence the national Democratic convention, which assembled on July 9, indorsed the candidacy of Greeley and Brown. It was a bitter pill to swallow; but it was their only hope, and they accepted it in that spirit. Before adjournment the convention reversed its action of 1868 and solemnly resolved to maintain emancipation and enfranchisement and "to oppose any reopening of the questions settled by the Thirteenth, Fourteenth, and Fifteenth Amendments."

The Republican leaders were thoroughly alarmed by these developments and by the general trend of the reform movement. In an effort to counteract them they passed a general amnesty act (p. 76) early in 1872 and followed this in May by the enactment of a tariff measure by which a considerable number of items were placed on the free list and a general reduction of



approximately 10 per cent was made. At the same time the war-time stamp taxes, except those on checks, were abolished, and the income-tax measure was not renewed. The national convention, which met June 5, renominated Grant without opposition and named for the vice presidency Henry Wilson of Massachusetts. The platform indorsed the administration, emphasizing especially the favorable condition of foreign relations and the gradual reduction of taxes and the public debt.

The campaign soon degenerated into one of personalities rather than of policies and ideas. Greeley's eccentricities, his irresolute mind, his glaring inconsistencies, and his alliance with the reformers on the one hand and with the Democrats on the other marked him for caricature and ridicule. Needless to say, the Republicans made the most of their opportunities. Especially noteworthy in the campaign were the cartoons of Thomas Nast, the originator of the Democratic mule and the Republican elephant, whose grotesque drawings of Greeley and his co-workers emphasized the dangers involved in intrusting the government to his unsteady and unworthy hands. Grant was attacked in a like spirit. His carriage, his dress, his habits, his morals, his appointment of a host of relatives to remunerative Federal positions, and his association with venal men all received great attention. With the progress of the campaign Greeley's following gradually diminished. When the ballots were counted in November it was found that of the thirty-seven states, he had carried only six — Missouri, Texas, Georgia, Kentucky, Tennessee, and Maryland. Grant's majority was three quarters of a million, and in both Houses of Congress his party made substantial gains.

The magnitude of this landslide was a great blow to Greeley, who until the end had felt that his chances of success were good. The death of his wife during the campaign, the invectives heaped upon him, and the extent of his defeat were more than his overworked nerves could stand. Broken in spirit and in body he followed his wife to the grave (November 29, 1872).

## CHAPTER VI

### THE PASSING OF THE FRONTIER

#### THE FRONTIER OF 1860-1870

Coincident with the economic and social transformation that was taking place in both the North and the South during the decade that followed the close of the Civil War was the rapid settlement of the Far West. This developed there a series of problems that were soon to become national in scope. The sectionalism that thus arose involved the question of the preservation of equality of opportunity, of democracy, economic as well as political, in the face of the rising power of the combinations of wealth. The result was the emergence of a new series of issues. Although frontier problems had existed in the United States since the establishment of the first colonies along the Atlantic seaboard, the opening up of the entire western half of the country within the short space of a quarter of a century and the exploitation of its immense mineral resources, with the growth of corporate business in the East and the tremendous economic upheaval resulting from the war, all conspired to intensify these difficulties.

By 1860 the frontier had advanced to a line running coincident with the western borders of Minnesota and Iowa, across the center of Nebraska and Kansas, and thence southward through approximately the middle of Texas, though, to be sure, in the territory immediately to the east of this line a great acreage of land remained in the hands of the government for future disposal to settlers. The two decades which ended in 1880, however, witnessed a remarkable migration to this region. The population of Nebraska increased from 28,841 to 452,402, that of Kansas from 107,206 to 996,096, that of Texas from 604,215 to 1,591,749, and that of the seven states of the old Northwest — Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, and Iowa — from 7,800,000 to 13,612,056.

## SETTLEMENTS ON THE PACIFIC COAST

Meanwhile the settlements made along the Pacific coast since the forties were growing by leaps and bounds. Not only did California's mines continue to send forth millions of dollars in precious metals, but her agricultural resources were being exploited as well. As early as 1867 her production of wine alone reached 3,500,000 gallons, and in the southern part of the state the subtropical products for which she has since become famous grew in luxuriant abundance. The twenty years following 1860 saw her population increase from 379,994 to 864,694. In Oregon the population of 52,465 in 1860 had by 1880 reached 174,768, half of whom lived in the rich bottoms of the Willamette valley. Although Oregon's mineral productions were considerable, her chief wealth lay in agriculture, stock-raising, and lumbering industries. Washington was somewhat slower in developing, yet the number of her inhabitants advanced during the same period from 11,594 to 75,116.

## THE MINERAL KINGDOM

Between the coastal settlements in the west and the agricultural frontier to the east lay a strip of country more than a thousand miles in width extending from Canada on the north to Mexico on the south. With the exception of a few more or less isolated communities, this region remained unexploited for many years after the opening of the territory bordering on the Pacific. The western half comprised a rugged mountainous and semiarid domain; the eastern portion was characterized by vast plains, on which the rainfall was so meager that the first white visitors described it as almost wholly unfit for agriculture. For this reason it was set aside by the government as a permanent home for the roving Indian tribes. There, it was thought, the Indian could live in perpetual peace undisturbed by the encroachments of the white men. With the passage of thousands of people across the territory, however, to and from the Far West, the possibilities for future development became known, and the veil of mystery was rolled back to make clear the way for the coming of the miner, the herdsman, and the farmer.

The first notable mining success in the mountainous portion of this region was in the "Washoe country," a short distance east of the California boundary. In 1859, when a rich silver deposit was discovered high up on the side of Mount Davidson, there was a stampede of miners comparable to that of the gold rush to California a decade earlier. Valuable gold mines were soon found in the same vicinity. In 1861 Nevada was split off from Utah, of which it had been a part, and was made into a separate territory; three years later it became a state. Although the population had reached only 42,491 in 1870 and increased very slowly after that date, the famous Comstock lode near Virginia City yielded silver valued at more than \$300,000,000 during the first twenty-five years of its operation.

When rumors that gold was to be found in the region of Pikes Peak were confirmed in 1859, that year saw a great exodus to what later became the state of Colorado. Professional prospectors and miners hastened to the scene together with thousands of fortune seekers from the East. "Pikes Peak or bust" had been the motto of the "fifty-niners"; and of the nearly 100,000 who reached Colorado during the rush of the first year approximately half returned to their former homes "Busted! by gosh!" in the following year. Nevertheless enough people remained (some 34,277) to organize in 1861 the territory of Colorado. Although the population had grown to only 39,864 by 1870, the next decade saw it increased to 194,327, and in 1876 Colorado became a state.

In 1862 and 1863, in the western part of the territory of New Mexico, which became the territory of Arizona in 1863, the discovery of some rich gold and silver mines was accompanied by the usual flood of prospectors; but trouble with the Indians made mining so dangerous an occupation that little progress was made with these mines for two decades. In later years extensive copper veins were found, which caused the territory to develop rapidly into the leading copper-producing region of the Union. Before 1919 more than \$538,000,000 worth of this single metal had been extracted from the earth there.

Just as the influx of miners had brought sufficient population to justify the creation of the new territories of Nevada, Colorado, and Arizona, so discoveries of the precious metals resulted in the

organization of the territories of Idaho in 1863, of Montana in 1864, and of Wyoming in 1868. In the hundreds of new mines that were opened up in this region not only gold and silver but lead, zinc, and other metals were obtained in great quantities. From one of these alone, the Alder Gulch near Helena, Montana, came in three years \$16,000,000 in gold.

In the center of the mountainous district of the Far West was located Utah, first settled by Brigham Young and his Mormon followers in 1847 and organized as a territory by Congress in 1850. At that time the population was only 11,380, but the missionary zeal of the adherents of the church brought a steady stream of immigrants to the colony. In spite of the fact that the population had reached 86,786 in 1870 and 143,963 ten years later, Congress, because of the continued polygamous practices of the Mormons in the face of the law passed in 1862, refused to heed the repeated requests of the people for admission into the Union as a state until 1896. The chief occupation of the inhabitants of Utah, in contrast to life in the mining communities about her, was agriculture, which, by means of an elaborate system of irrigating ditches and reservoirs, produced bounteous returns. Before the end of the century, however, valuable mineral deposits were discovered within her borders.

Although mining operations furnished the incentive for the first settlements in most of the territories of the Rocky Mountain region, there were extensive agricultural developments in the fertile valleys and wherever else water could be obtained either for crop production or for stock-raising. In the beginning these projects were started for the most part by men who had been unfortunate in the gold rushes; but the growth of the mining towns and the consequent fabulous prices of food supplies of all kinds attracted a host of pure agriculturalists to the territory. A typical illustration of this occurred in Colorado, where, during the years of 1865 and 1866, more than four hundred thousand acres were taken up by settlers for agricultural uses. By the end of the following year the territory was producing food sufficient to meet all its needs. The two decades of the seventies and eighties saw also a remarkable development of the sheep and cattle raising industries throughout the Rocky Mountain country.

## THE GREAT PLAINS

Between the mineral kingdom and the farming line on the eastern frontier stretched an expanse of rolling country on which, regardless of the lack of rainfall, grew an abundance of wild grass rich in food properties. Here were to be found extensive herds of buffalo (bison), antelope, deer, elk, and other species of wild animals, from which the Indians in the region obtained their subsistence. Especially picturesque were the huge, clumsy buffaloes, fifteen million of which, it is estimated, roamed the trans-Mississippi plains in 1865, moving back and forth in spring and autumn as the line of pasturage advanced and receded. In 1866 an English traveler who was going by stage to Denver saw buffalo continuously for forty hours; and Captain Reynolds, on an exploring expedition in Montana the following year, reported that he saw an area of fifty square miles covered with these beasts. Indeed, during the late sixties and early seventies, it was not unusual for trains to be held up literally for hours by herds of buffaloes crossing the tracks. With the close of the Civil War and the construction of the transcontinental railways, however, an increasing number of hunters appeared in the region to participate in the ruthless slaughter of these animals. Some came to kill for pleasure; others were seeking meat or the hides, from which the much-coveted buffalo robes were made. So fast did the slaughter develop that by 1870 it had become the leading industry of the Southwest. More than four million buffaloes were killed in that region alone during the four years following 1871. By the spring of 1876 the southern herds were practically extinct and such inroads had been made on those of the Northwest that another decade saw this impressive form of wild life reduced to a few small private herds.

## THE INDIAN PROBLEM

One of the most formidable obstacles to the advance of the white man into the regions of the Rocky Mountains and the great plains was the presence there of powerful Indian tribes, whose economic, social, and political system was in striking con-

trast to that of the invaders. At the close of the Civil War the total Indian population of the United States was slightly in excess of 300,000, of whom 32,000 lived east of the Mississippi River (including Minnesota) and 50,000 on the Pacific slope. Of the remainder approximately 225,000 made their homes on the great plains and in the Rocky Mountain territories. It is with this latter group that the westward thrust of the white population of the sixties and seventies was most concerned. While in numbers the Indians were not formidable, the fact that they were scattered over such an extent of territory made it possible for them to harass almost at will the movements of the white population in the region. In the northern plains, blocking the ordinary routes to the Pacific, lived the Sioux, the Northern Cheyennes, the Arapahoes, the Assiniboin, and the Crows, the latter of whom were always friends of the white men and enemies of the powerful and warlike Sioux. South of these lived two distinct groups of Indians. In what is now Oklahoma were located the semicivilized, peace-loving, and industrious Cherokees, Creeks, Choctaws, and Chickasaws, all of whom had been moved beyond the Mississippi during the thirties. To the west of Oklahoma and Arkansas roamed the totally uncivilized Kiowas, Comanches, Southern Cheyennes, Southern Arapahoes, and Apaches.

For the most part the Indians of the Middle West obtained their livelihood by hunting. Their institutions were naturally influenced to a very large degree by the buffalo, on which they were dependent for most of the necessities of life. Its meat was the Indians' principal food, its skin was made into clothing, shoes, tents, and robes, its bones furnished such implements as knives and hoes, and even its tendons were utilized for thread and bowstrings. With the appearance of the white man, as has been seen, the herds were rapidly exterminated. Gradually but surely the Indians found themselves caught in a vise between the steadily approaching frontiers on the east and on the west. The building of roads and railroads, the establishment of army garrisons, the killing off of the buffalo, the development of extensive cattle and sheep ranges, and the almost daily passage along the main trails of caravans through the land which solemn treaties made with the "Great Father" had assigned them as a

permanent and perpetual home, all tended to create a restiveness among the tribes. This culminated during the two decades following 1860 in a series of bloody wars in which no less than fifteen thousand red warriors in the North and ten thousand in the South participated. In each of these wars the tribes were shifted in turn to less desirable territory and their reservations were greatly reduced. Neither the Indians nor the frontiersmen, however, were satisfied with the existing conditions. To the latter, who wished to remove completely the barrier that stood across the path of their development, the complete extermination of the Indians was the only permanent solution of the problem; to the former their safety as well as the preservation of their civilization was absolutely dependent on an immediate check of the further encroachments of the white men. Indeed, it was becoming increasingly evident that the Indian life in its original form could not be maintained permanently within the borders of states and territories inhabited by white men.

Furthermore, serious defects were manifesting themselves in the methods pursued by the government in the administration of Indian affairs. The policy of treating each Indian tribe as a separate nation was fundamentally unsound. At the same time the system of governmental annuities, made as a rule in exchange for the surrender of land, tended to make the red men beggars; and whenever the bounty failed or fell into arrears, as it often did, they were needy, distressed, and angry. Of special significance was the practice of the spoils system in the appointment of Indian agents and the consequent prevalence of graft and inefficiency in the general management of Indian affairs. Of even greater consequence was the lack of coöperation between Indian agents, the army, and Congress, which on many occasions resulted in mutual recrimination and the irregular fulfillment of solemn treaty obligations.

### THE NEW INDIAN POLICY

As a result of the widespread Indian uprising during the Civil War period, however, Congress in 1865 created a committee to investigate the conditions of the Indian tribes. The conclusion



was reached without much difficulty that the principle of permitting the Indians to exist as roving tribes was no longer tenable. The Indian chiefs accordingly were assembled in various designated points, and an attempt was made to reach a common basis of understanding. This resulted in the negotiation of a number of new treaties, all of which made the usual encroachments on existing Indian rights and territories. Since the treaty of Fort Stanwix in 1784, the first arrangement of this kind, three hundred and seventy similar treaties had been concluded and ratified. These observed the regular form of negotiation common with independent nations and required a two-thirds vote in the Senate for ratification. Of all this the red man had little or no comprehension. Neither did he possess in his governmental system the means necessary for an adequate enforcement of these agreements. In 1871, however, Congress definitely abolished the system of making treaties with the Indian tribes and thenceforth assumed jurisdiction over the entire field of Indian administration. Though some serious disturbances occurred during the seventies, conditions steadily improved. By 1880 the tribes were so widely dispersed and the country was so thoroughly occupied by thriving white communities that the fear of the Indians had largely disappeared. Moreover, with the elimination of this danger a new and more wholesome attitude toward these unfortunate wards of the nation manifested itself. Indeed, for many years the majority of the people in the East had had the keenest interest in the well-being of the "poor Indian" and were unsparing in their criticism of the harsh, repressive measures of the army and the corruption and inefficiency that too often characterized the management of Indian civil affairs.

Of significance in the development of the Indian policy since 1871 has been the recognition by the government of the fact that the primary function of the Indian service should be educational. Accordingly, in course of time two hundred and four boarding and day schools have been established, in which some twenty-six thousand pupils were enrolled in 1928. Furthermore, the greatest possible use has been made of the public schools located in the vicinity of regular reservations. In these in 1928 thirty-

five thousand were in attendance for whom the government paid regular tuition fees. An additional five thousand Indian pupils were registered in the mission schools supported by religious denominations. Meanwhile an effort was made to give to a selected number a high-school or trade-school education. The first school for this purpose was founded at Carlisle, Pennsylvania, in 1879, to be followed later by the establishment of similar institutions in the West. Although the Indian schools are inadequately equipped and are insufficient in number, with facilities less than half in proportion to those provided for the white children in the country, they have accomplished wonders in transforming the life of the semicivilized red men of the United States. Indeed, they have made conscious effort, with a marked degree of success, to equip the Indian to participate in white civilization. When the task is completed, full citizenship with all its privileges and responsibilities will be accorded the Indian and the separate identity of the individual tribes will cease to exist. Some fifty years ago those in charge of Indian affairs became convinced that to attain this objective it was necessary not only to educate the mass of Indians but to break up the tribal autonomy and to place the individual Indians on their own exertions on an equal footing with the white men. Consequently in 1887 Congress, with the approval of President Cleveland, passed the Dawes Act (commonly referred to as the Indian Emancipation Act), which was designed to secure for the Indians ownership of land in severalty, whereas previously they had held, operated, and governed their lands under a communal system. By provisions of this measure the separate tribes, as soon as they had attained a recognized degree of civilization, were to be permitted to grant fixed areas of land to all their members and to sell what remained of their holdings to the United States. The proceeds from these sales were to be held in trust by the United States and paid to them in small annuities or administered in other ways for their interests. Furthermore, over the Indians who received land in severalty the government was to establish a guardianship, and until such time as it was thought that each Indian holding an allotment of land possessed a sense of responsibility the sale of his individual holding was to

be prohibited. When these owners received their certificates of competency, however, they were to become full-fledged citizens. In all cases the land taken was made inalienable for twenty-five years. In commenting on this law Senator Dawes said that it "confers upon every Indian in this land a homestead of his own; and, if he will take it, it makes him a citizen of the United States, . . . and opens to him the doors of all courts in the land upon the same terms that it opens them to every other citizen. . . . Two hundred thousand Indians have been led out, as it were, to a new life, to a new pathway."

The Dawes Act afforded an opportunity and nothing more, and for many years the Indians were not inclined to take advantage of it. It meant the surrender of their ancient tribal system to assume the white man's civilization, for which they had only hatred and distrust. By 1893, however, a large section of country in the northern part of the present state of Oklahoma had been acquired from the Indians and thrown open to settlement, and more than sixty thousand people had established themselves there. About the same time a large tract of land, split off from the Sioux reservation in South Dakota, also received an influx of settlers. By 1898 some sixty thousand Indians, not counting those in the Indian Territory, had taken land in severalty and had become American citizens. Moreover, in that year, after protracted negotiations and all the peaceful pressure that the government could bring to bear, it reached an agreement with the Choctaws, Creeks, Chickasaws, and Seminoles in Oklahoma whereby the members of these tribes took advantage of the provisions of the Dawes Act and became citizens.

Experience showed some features of the Dawes Act to be unwise. Many Indians objected to the long period of waiting for a clear title to their land (twenty-five years), and others demonstrated their unpreparedness for citizenship. In numerous individual instances designing white men defrauded them of their property, and the tendency to drunkenness was markedly increased. To remedy these defects the Burke Act was passed in 1906. This provided that citizenship should not be allowed until clear title had been obtained to land, that full ownership was to be granted by the president at his discretion, and that

intoxicating liquor should not be sold or given to Indians to whom citizenship had not been awarded.

As a result of these two laws the old Indian organization has been gradually but surely disintegrating and the complete Americanization of the Indians has been brought appreciably near realization. Of the 355,901 Indians in the United States in June, 1928, allotments of land had been made to 236,133 and fee patents granted to something more than 40,000. Steady progress is being made in the preparation of the remaining Indians for complete citizenship. As there are more than 200 separate tribes scattered over twenty-six states, the problem of administering Indian affairs is complicated not only by distance, climate, environment, and tribal customs but also by the supervision of the work of transforming each individual Indian from his native civilization to that of the white man. Fortunately for the natives they possess wealth in land and natural resources, an average of nearly \$5000 per capita, which with careful supervision by the government they will control completely on attaining citizenship. Indeed, the day is not far distant when the occasion for the government's supervision of Indian affairs will no longer be necessary and the existence of a separate Indian policy a thing of the past.

### THE CATTLE RANGES

The development of the cattle industry on the trans-Mississippi plains was simultaneous with the extinction of the buffalo herds, the pacification of the hostile Indians, and the building of the railways across the region — a topic which will be discussed later. At the same time the urbanization of the East increased the demand for food products, while the introduction of central packing plants and the development of means of transporting perishable commodities such as live stock and meat from one section to another contributed toward the same end. Though the raising of cattle had always been one of the more important industries of the frontier, since with inadequate transportation facilities it was easier to feed grain to the cattle and then drive them to the market than to transport the bulky grain, it was not until after the close of the Civil War and the opening up

of the West that the industry became one of major importance, with its nucleus in the extensive herds of cattle that roamed the plains of Texas. There, under favorable weather conditions in an open country, cattle introduced by the Spaniards had developed into a sturdy stock which continued to grow in numbers after the annexation to the United States during the forties. The four years of the Civil War, during which the markets were either closed or seriously hampered, witnessed a rapid increase in the number and size of the herds. In 1866 several hundred cattle were driven north across the Indian territory to the newly opened railroads in Kansas, whence they were shipped to the great packing plants that were springing up in the new cities of the Middle West. The cattle which were thus marketed cost little but the labor of gathering and herding and the charges of transportation. Hence the undertaking proved exceedingly profitable—so much so, in fact, that in the following year 35,000 were driven north to the railways, and in 1871 the number for the year reached 600,000. Indeed, it has been estimated that for the twenty-year period following 1866 the total exceeded 6,000,000.

Meanwhile it was discovered not only that cattle could be raised in the central plains, but that they could withstand the severe winters of northern Nebraska, Wyoming, and Montana, where wild grass was abundant. Hence, beginning about 1868, cattlemen established themselves there, and during the next two decades their rapidly increasing herds, numbering hundreds of thousands, were to be found in every part of that extensive area.<sup>1</sup> The cattle country proper soon came to embrace most of the Dakotas, the western part of the states of Nebraska, Kansas, and Texas, and the eastern half of the territories of Colorado, Wyoming, and Montana.<sup>2</sup> By means of the railways,

<sup>1</sup> The territory of Dakota was created in 1861. In 1889 it was divided into two parts, North Dakota and South Dakota, and admitted into the Union. The census of the following year gave the population of the former as 190,983 and of the latter as 348,600.

<sup>2</sup> Progress, however, was slow until the middle seventies. Indeed, in Wyoming in 1870 only 11,000 head of cattle were listed in the entire territory. A decade later the number had increased to 521,000, and the herds roved freely, identified only by branding marks in the great "round-up." In 1880 there were 60,000 head shipped from Wyoming alone to the Chicago stockyards and an equal number to Kansas City.

which then extended far into the cattle-grazing lands at a number of points, direct connection was established with Chicago, Omaha, St. Joseph, and Kansas City, the meat-packing centers, and, through these, with the eastern seaboard and Europe. The result was the development of a very profitable business.<sup>1</sup> On the plains the cattle grazed over extensive stretches of government land, attended by cowboys. The character of their occupation soon molded the cowboys into as definite a type of American as the frontier ever produced, around which have grown up romance and some of the most thrilling incidents in American fiction.

This industry reached its peak between 1878 and 1885 and suffered a decline during the last half of the eighties. Indeed, not only had the long drives from Texas been discontinued, but the ranchers' frontier had either been pushed into the mountainous regions or had disappeared. For this condition various factors were responsible. Since it was easy and cheap to build up a herd, the plains were soon greatly overstocked; and since some of the stockmen were trespassers on public land, concerted action to reduce the size of their herds to something approaching the demand was difficult if not impossible. Moreover, after the introduction of barbed wire by farmers, many cattlemen adopted the practice of inclosing with barbed-wire fence great stretches of country in order to cut down the expense of maintenance and to gain a greater freedom in marketing their stock. As these ranches (the term applied to the inclosures) increased in number, the country became less and less adapted to the open-range system and the accompanying long drives and round-ups. Of even greater significance in bringing about a change was the appearance of a number of highly contagious diseases among the cattle, which resulted in the establishment of rigid quaran-

<sup>1</sup> During the eighties cattle companies multiplied rapidly in the West. In one year (1883) twenty companies with a total capitalization of over \$12,000,000 were incorporated under the territorial laws of Wyoming. The capital stock of these ranged from \$10,000 to \$3,000,000. Many of these ranches were owned and operated by Europeans. *The London Economist* for March 20, 1886, gives the financial set-up of eleven English and Scotch cattle companies operating in the western part of the United States from 1883 to 1885. The herds ranged in size from 13,500 to 124,212 cattle each, with a total of about 700,000.

ting regulations. These not only limited the movement of herds from one section of the West to another, but gave the European powers, to which extensive shipments had been made, an excuse for reducing competition with their local cattlemen by the imposition of similar restrictions. Furthermore, with the opening of the country to permanent settlers through the sale of land owned by the railroads and the homesteading of that held by the government, the farming frontier steadily encroached on the cattle ranges. The result was the gradual extension of cattle-raising into the mountainous states to the west. These developments, however, did not reduce materially the number of cattle, but rather altered fundamentally the character of the business. Thenceforth cattle production was confined almost entirely to the inclosed ranches, where the stock was bred, reared, and sold.

#### THE SHEEP RANCHES

The cattle business of the great plains and the mountainous regions of the West was further threatened after about 1870 by the growth and extension of the sheep industry. The wool clip in Texas alone increased from 500,000 to 22,000,000 pounds in the single decade of the seventies. During the same period the number of sheep in Wyoming grew from 6000 to 450,000, and the figures for other territories in the region were almost as striking. Indeed, so numerous had the sheep ranches become by 1880 that the industry was beginning to drive the cattle from many sections of the West. Consequently intense rivalry developed between the cattlemen and the sheepmen for the use of the grazing lands. This was accentuated by the fact that sheep would crop the grass so close that the cattle could not graze on land occupied by sheep. Hence, since the two industries could not thrive in the same region and since both were interlopers on government lands, many feuds developed between the cattle-owners and sheep herdsmen for dominion over the country. These often resulted in the reckless killing of both cattle and sheep and sometimes in bloody battles between the rival forces. The seriousness of the controversy was increased further by the personal animosity between the tenders of the sheep and those

of the cattle. The mounted cowboy looked with disgust upon the unmounted and usually unarmed shepherd with his dirty, smelly flocks, while the latter resented the arrogant and condescending attitude of his competitor. In the end each group found its place in the life of the West, but only after fairly well-defined territorial limits had been established for both sheep and cattle grazing. To be sure, the sheep-raising business never developed on a big scale on the plains; but the seventies and eighties saw the establishment of large flocks in all the Western states, in many of which it has remained a thriving industry.

### THE TRANSCONTINENTAL RAILROADS

Almost as potent an influence as the destruction of the power of the Indian tribes in promoting the advance of the agricultural frontier was the construction of the transcontinental railways. Although this new method of transportation during the first three decades of its existence had demonstrated clearly its superiority over that of boat, canal, and stagecoach, its extension into the Far West was limited to a few short and unimportant lines. To be sure, the nation had come to a realization of the extraordinary possibilities of the Western territory only after the astonishing succession of discoveries of the precious metals in that region and the annual addition of millions of dollars to the circulating medium of the country. The wealth thus drawn from the West had a stimulating effect on the commerce, manufactures, and trade of all the Eastern states. Indeed, soon after the opening up of Oregon and California in the forties it was generally recognized that the construction of a Pacific railway was not only an economic question of first importance but also, as a means of guaranteeing the territorial integrity of the Union, an absolute necessity. However, because of the rugged and barren character of the country through which it would run (more than five hundred miles of which exceeded a mile in elevation above the sea level), the absence of settled regions for more than fifteen hundred miles along the proposed course, and the dangers from attacks by the hostile Indian tribes, capitalists refused to provide funds for this undertaking. The Federal

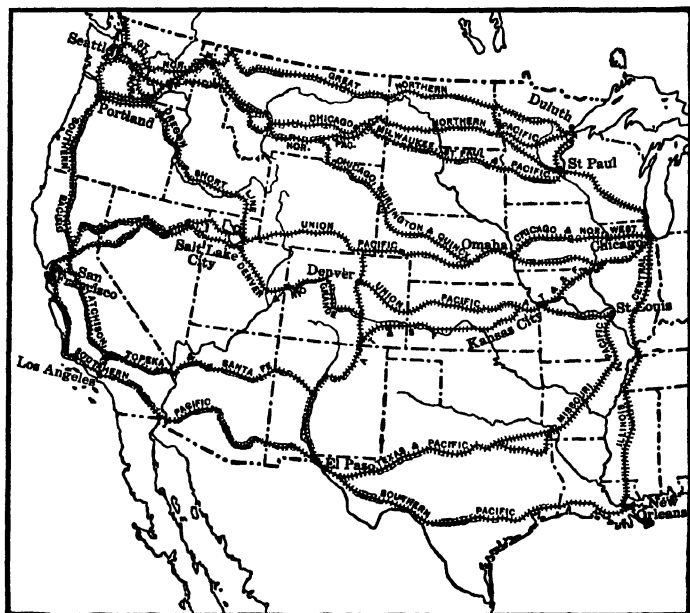


government therefore, following the policy adopted during the fifties, passed acts in 1862 and 1864 incorporating the Union Pacific Railroad Company for the construction of a railway westward from an initial point "on the one hundredth meridian of longitude" in the territory of Nebraska, with branch lines to be constructed from this point by other companies to the leading cities in the Middle West. For each mile of road finished a grant of 12,800 acres of adjoining land located in alternate sections was made. This legislation provided further for a subsidy in the form of bonds, for which the government accepted a second mortgage on the property, to the amount of \$16,000 for each mile of road completed in the level country, \$32,000 in the rough foothills, and \$48,000 in the heavy mountainous country. Similar terms were extended to the Central Pacific, a company incorporated under the laws of California, for the construction of a line from the Pacific coast, at or near San Francisco, to meet the Union Pacific somewhere in the mountainous region.

Regardless of these generous concessions and the optimistic sentiment of the people of the East, capitalists in general refused to withdraw funds from the profitable industries that had been stimulated by the war for the purchase of the first-mortgage bonds. In 1864, however, sufficient funds had been secured to begin work on the eastern branch of the road, but progress was slow until after the close of the war. About 1866 the keenest rivalry developed between the two main companies for obtaining the valuable government concessions in land and bonds, with the result that the road was pushed forward with unprecedented speed. In May, 1869, it was completed by a junction of the lines at Promontory Point near Ogden, Utah. The whole country celebrated the event as an achievement of national significance, although much graft and speculation, in which some of the leading men in Congress were involved (pp. 97 f.), had occurred in connection with the construction of the Union Pacific line.

While the Union Pacific was being built, other railroads, most of which received extensive grants of land from the government, were rapidly reaching into the central and Far West. The

Kansas Pacific pushed westward from Kansas City to Denver and thence northward to Cheyenne, where it joined the Union Pacific. In 1864 Congress chartered the Northern Pacific to run from Lake Superior to Puget Sound and, two years later, the Atlantic and Pacific to be built along the line of the thirty-fifth-parallel survey. To each of these roads it granted 25,600



THE TRANSCONTINENTAL RAILROADS

acres of public land contiguous to the road for each mile completed, but authorized no bonds as in the case of the Union Pacific and Central Pacific. In 1871 the Texas Pacific, to extend westward from the head of navigation of the Red River near Marshall, Texas, was authorized with the usual grant; but since the Federal government owned no land in Texas, the extension through that state and eastward was dependent upon private capital and such assistance as could be obtained from the states.

The incorporation of the Texas Pacific brought to an end the system of Federal land grants to railroads, which had prevailed in one form or another since 1850.<sup>1</sup> Besides the Atchison, Topeka, and Santa Fe and the Denver and Rio Grande, which penetrated the West during the sixties and seventies, there were many short railroads that acted as feeders to the main lines. Although many unexpected difficulties in the construction of these transcontinental railways were encountered, five had been completed to the Pacific and many miles of track for a sixth — the Great Northern, to extend from Duluth on Lake Superior to Puget Sound — had been laid by the middle of the eighties.

In the meantime the Federal government placed more than 159,000,000 acres of land at the disposal of the railroad corporations, and 55,000,000 acres at that of the state governments, to be used in aiding the development of railroad transportation. Though these grants, which embraced an area five times as large as that of Pennsylvania, were not fulfilled in their entirety, because the condition of the cessions could not in all cases be complied with by the railroads, a vast domain was placed at the disposal of these corporations for exploitation, with consequences full of significance both for the West and for the nation as a whole. Indeed, the close relationship between railroad expansion and the development of the country is nowhere shown more clearly than in the construction of these transcontinental railroads. With the extension of these lines of transportation through the Indian country, the buffalo and other wild animals, on which the Indian was dependent for his sustenance, became easy marks for the guns of white men, while the continued existence of the open cattle and sheep ranges was seriously threatened and, in the vicinity of the railroads, completely terminated (p. 109). Thus, with the dispossession of the Indians and the removal of their menace to permanent white settlements, the American pioneer, together with a great army of foreign immigrants, came into the Western region, and capital in steadily increasing amounts followed.

<sup>1</sup> Before 1861 Illinois, Missouri, Michigan, Wisconsin, Iowa, Arkansas, Alabama, Mississippi, Louisiana, and Florida had received grants of land for the promotion of internal improvements. These grants exceeded 31,000,000 acres in area.

## THE ADVANCE OF THE DIRT FARMER

As the railroads to which land subsidies had been promised by the Federal government pushed their lines into the plains and the mountainous country, they instituted an intensive advertising program both in America and in Europe for the disposal of these lands. These sales not only provided a revenue for the roads at a time when they sorely needed it, but also brought about the rapid peopling of the region, with a consequent growth in commerce, which in turn ultimately redounded to the credit of the railroads. Indeed, the railroads were responsible for much of the settlement of the Far West; for wherever they penetrated, towns quickly sprang up as busy centers of trade.

Meanwhile, in addition to those who found homes on land purchased from the railways, the population of the region was being increased annually by hundreds of thousands who, availing themselves of the new transportation facilities and the liberal land policy of the government, established themselves on the public domain. At the close of the Civil War 132,000,000 acres of government land had been surveyed and were opened for settlement, while 815,000,000 acres remained unsurveyed. This territory, forty times the size of Ohio, or approximately half the entire area of the Republic, was located for the most part west of Arkansas, Missouri, Iowa, and Wisconsin, although several million acres remained undisposed of in the states immediately east of this line. To the individuals desiring to acquire government land a number of options were open. After the survey had been completed in a given area, the President issued a proclamation offering the land at public sale. Those tracts which were not disposed of in this way were then subject to private purchase at the land office of that particular district at an established price of \$1.25 an acre, with, however, the exception of the alternate sections of land, which the government held within the limits of railway or similar grants, on which a price of \$2.50 an acre was placed. If these arrangements did not meet the approval of the prospective settler, he might preëempt a farm of 160 acres on land located in either a surveyed or an unsurveyed district, provided that he did not own 320 acres elsewhere

and, further, that he would build a house on it and live there in person. After the expiration of one year of residence he was permitted to pay for his land at the minimum price and thereby obtain a permanent title to the property. Liberal as this policy seemed, it was so bitterly opposed by the frontiersmen that Congress in 1862 added yet another option by the enactment of the Homestead Act. This legislation allowed a homesteader to acquire 160 acres of surveyed land by establishing a residence on it for five years without any money payment other than a small fee to meet the expense of entry. By this method alone 2,328,923 acres were homesteaded in 1868, approximately one third of the land disposed of by the government during that year.

Indeed, so alluring were the prospects for acquiring land from the government, the railroads, and other agencies to which land grants had been made that literally millions of people pressed into the region. During the decade 1870-1880 an area of 297,000 square miles, equal to the territory of Great Britain and France combined, was added to the cultivated area of the United States. The frontier had advanced so rapidly that in 1880 the Commissioner of the General Land Office in his annual report made the significant statement that practically all the farm land in the public domain had been taken up. The farmer had invaded every section of the Great Plains and had occupied the valleys in the mountainous region. Though large tracts of land remained, particularly in the territory then occupied by the numerous Indian tribes, most of it was arid, semiarid, or mountainous, and hence poorly adapted to agriculture.

The advance of the dirt farmer into the cow country was accomplished with much friction and no small amount of bloodshed. The economic systems of the farmer on the one hand and the cattlemen on the other were diametrically opposite and could not, under the most favorable conditions, exist for long together. But with the government behind him the farmer steadily pushed his inclosures around the watercourses, while his irrigation ditches absorbed the water from the streams from which the cattle subsisted. In the end the cattleman was forced to bow to the inevitable. The dirt farmer, however, had other obstacles to face. Throughout the West individuals had by one

means or another come into the possession of immense holdings of land, from which they could not be dispossessed. In 1871 one hundred and twenty different Californians held tracts ranging in size from 20,000 to 335,000 acres each, and in the mountains and on the plains similar conditions prevailed. The owners of these tracts, ranchers for the most part, controlled valuable water sites and often occupied territory in the direct course of an orderly development of agriculture.

The rapid expansion of the farming area of the country, however, during the two decades following the close of the Civil War not only created an enormous agricultural surplus which was accompanied by a substantial decline in prices, but contributed in other ways to the disastrous financial plight in which the farming classes throughout the land found themselves, the causes of which will be discussed in detail in Chapter VII.

## CHAPTER VII

### FINANCIAL AND ECONOMIC READJUSTMENTS, 1865-1877

#### FEDERAL FINANCIAL READJUSTMENTS

In spite of the fact that the period immediately following the Civil War was characterized by rather unusual expansion in agriculture and industry, the condition of Federal finances was for many years a constant source of embarrassment both to the farmer and to the business man. On September 1, 1865, the national debt was approximately \$2,800,000,000. This was represented in various forms of obligation, which the stress of war had made inevitable and on which a high but not a uniform rate of interest was paid. Taxes, both internal and external, were exorbitant; and the instability of the currency, because of the issuance of quantities of paper money guaranteed only by the promise of the government to redeem at an unnamed date, was disconcerting to business of all kinds. To the readjustment of these problems the Secretary of the Treasury, Hugh McCulloch, an experienced banker from Indiana and a man of sound judgment, directed his attention. The national debt was consolidated, through refunding operations interest rates were materially lowered, and adequate provisions were made for the systematic reduction of the debt.

McCulloch and the Special Commissioner of Revenue, David A. Wells, with whom he worked in complete harmony, evolved a policy for, first, the drastic revision of internal taxes, which between 1861 and 1865 had brought into the Treasury more than \$1,280,000,000; secondly, the simplification and reduction of the tariff, which during the war had been advanced to an average rate of 47 per cent and which had yielded a total revenue of \$910,000,000; and, thirdly, the reestablishment of specie currency. In accordance with the recommendation of McCulloch,

Congress, in a series of enactments extending over a period of four years, lightened the burden of internal taxation by about \$140,000,000 annually, and in 1872 made further reductions, including the discontinuance of the unpopular tax on incomes. However, it not only turned a deaf ear to the proposals for the downward revision of the tariff, but in 1867 actually increased the duties on wool and woolens. But the steady growth of the tariff-reform movement, which assumed threatening proportions in the West, caused the regular Republican leaders to become so thoroughly alarmed that they reduced duties in 1870 on a few articles taxed purely for revenue, such as tea, coffee, wine, sugar, molasses, and spices, and made a horizontal reduction of 10 per cent two years later. The system of protection, however, was only slightly disturbed by these measures. As a matter of fact, by 1875 the circumstances were so altered through the devastations wrought by the panic of 1873 that the former duties were restored.

#### THE ISSUANCE OF LEGAL-TENDER NOTES

Although the readjustment of Federal finances, the reduction of internal taxes, and the revision of the tariff were matters of great importance, the question of the currency was far more significant in its relation to the economic well-being of the country as a whole. The issuance of legal-tender paper by the government and the establishment of the national banking system had a pronounced effect on industry, wages, and the distribution of wealth, which later, through the legislation growing out of the silver agitation, produced striking social, political, and financial results.

Before the war legal tender had consisted of gold and silver alone, and after the establishment of the Subtreasury system in 1846 only these two metals were acceptable to the government in its financial dealings. Furthermore, with the exception of a limited number of issues of interest-bearing Treasury notes, no paper money had been placed in circulation. There was, however, at all times a considerable quantity of bank notes, which in 1861 were supplied by some sixteen hundred state banking institutions.



These were used freely in ordinary business transactions. Since with the opening of the Civil War the needs of the Treasury Department became so great that they could not be met with the gold and silver on hand, specie payments were suspended in December, 1861, first by the banks and soon afterwards by the government. Meanwhile the market value of the metal currency had advanced, with the usual result of hoarding and withdrawal from circulation. The existing bank notes, of course, were inadequate to meet the increased needs for a circulating medium. In this dilemma the government began the issuance of inconvertible paper currency. These "United States notes," or, as they were popularly known, "greenbacks," were non-interest-bearing and were issued entirely on the credit of the United States. To secure their acceptance in business transactions they were made legal tender in payment of all debts. Altogether \$450,000,000 in greenbacks were authorized by Congress, though not all this amount was in use for currency at any one time. On September 1, 1865, the sum of \$433,160,000 was outstanding against the government.

#### THE ESTABLISHMENT OF THE NATIONAL BANKING SYSTEM

Meanwhile an attempt was made to eliminate the chaotic condition of the paper notes of the state banks, of which there were in circulation some 7000 kinds and denominations, together with 4000 spurious or altered varieties. Since the value of this currency was not only uncertain but constantly changing, this medium was a great hindrance to any orderly conduct of business and often resulted in losses to those who accepted it. To replace these notes with a safe national currency of uniform value was highly desirable. Furthermore, the establishment of a more satisfactory market than then existed for the United States bonds became an absolute necessity, since the sale of these bonds provided the chief income of the government for carrying on the war. Consequently, early in 1863, Congress passed the National Banking Act, which authorized the establishment of banks under Federal charters. Banks thus organized were required to purchase government bonds, for which, when deposited with the

Treasurer of the United States, they would receive in return bank notes up to 90 per cent of the par value of the bonds. These notes were made receivable for all government dues with the exception of customs duties. The immediate effects of the establishment of this new banking system were disappointing, because banks hesitated to take out these charters. Consequently the country was not provided with a standardized currency, as had been anticipated. In March, 1865, however, Congress succeeded in securing a monopoly of all the issues of notes to the national banks by the placing of a prohibitive tax of 10 per cent annually on all notes of state banks. From the date of the passage of this act the circulation of notes of the national banks increased steadily until 1873, when it reached its high-water mark of \$339,000,000. At that time, because of the rapid rise in the price of government bonds and the retirement of some specified issues, a decline set in, with the result that by 1891 the circulation had been reduced to \$168,000,000. To prevent the complete disappearance of the national bank notes, Congress in 1900 permitted the issuance of currency equal to the face value of the bonds deposited. At the same time it reduced the capitalization of banks for cities of three thousand or under from \$50,000 to \$25,000. This act, together with the great increase in the debt because of the Spanish-American War and other extraordinary expenditures of the government, caused the circulation of the notes to advance rapidly. In 1913, when the Federal Reserve Bank Act was passed, the national banks numbered 7473, with a circulation of notes of \$715,754,236.

### ECONOMIC EFFECTS OF WAR-FINANCING

Although many factors were responsible for the general increase in prices during the war, the issuance of the large quantity of irredeemable paper money contributed greatly toward that end. With the gradual reduction in the value of the greenbacks, which in the summer of 1864 fell to as low as thirty-nine cents on the dollar, the premium on gold fluctuated and general prices rose in proportion to the decline in the value of the legal-tender notes. Furthermore, acting in accordance with Gresham's law,

this cheap money drove out of circulation the sound money, gold and silver. Since the government itself was a heavy purchaser, the increase in prices which it was called upon to pay as a result of the inflation of the currency and the depreciation of the greenbacks is estimated to have exceeded \$500,000,000. Great as was this financial addition to the cost of the war, it was small compared with the burdens imposed on the people in their private business transactions.

Since the currency question was inextricably interwoven with the economic conditions of the period, which determined some of the most important political issues of the next quarter of a century, a detailed account of the factors involved will shed some light on subsequent developments. Under ordinary conditions, if business is to function normally, a fairly definite amount of currency as a medium of exchange is required. When business expands or contracts, the medium of exchange should undergo a corresponding expansion or contraction. If the amount of money in circulation, however, is more than is necessary to carry on satisfactorily the business of the country, this inflated condition inevitably results in a cheapening of the currency and a corresponding increase in prices. On the other hand, a deflation of the currency to a point below the business needs of the country has just the opposite effect. When money becomes overvalued, prices decrease. The results in either case influence business fundamentally and act differently on the creditor and debtor classes. Here, then, is to be found the real motive actuating those who advocate either a contraction or an inflation of the currency. The situation is complicated further when metals, such as gold and silver, and paper currency, such as the United States notes and greenbacks, are used as the mediums of exchange. The over-issue of any one will cheapen it; and, as has been seen in the case of the greenbacks, the issue of nonredeemable paper money will bring about an increase in prices and thus cause the withdrawal of sound money from circulation.

In the quarter of a century following the Civil War the state of the currency was so fluctuating that dissatisfaction was widespread, particularly in the West, where the debtor class was most numerous. Not only was the period as a whole one of expansion

in almost every line of economic endeavor, but it witnessed also a steady increase in the population. In contrast to these conditions was an actual decrease in the world's annual production of gold from \$129,614,000 in 1866 to \$106,163,000 in 1886. In other words, while the annual production of gold during these two decades had actually decreased, the population of the United States had nearly doubled. At the same time there was a substantial decrease in the total amount of currency in the country. The extent of this deflation is indicated by the following figures. In 1865 the number of dollars in circulation was \$1,081,540,514, while in 1878 it was only \$773,379,295. During the same period the per capita circulation declined from \$29.60 to \$16.25. This means that it was nearly twice as difficult to obtain dollars in 1878 as in 1865. This condition was partly offset, however, by a decrease in prices. For instance, an article that could be purchased for \$2.24 in 1865 could be secured for 99 cents thirteen years later. Thus, with the deflation of the currency and the increase in the purchasing power of the dollar which characterized the two decades following 1865, those who possessed dollars or mortgages, bonds, or contracts of any sort which enabled them to demand dollars of others were exceedingly fortunate through no special merit on their part, and those without dollars who needed them to meet their financial obligations were equally unfortunate. In this latter class, as will be seen, were thousands of people who had assumed these obligations during the war, when the currency was inflated and the tables were completely reversed. Out of these financial difficulties some of the most troublesome national problems of the three decades after the war arose.

#### POST-WAR CONTRACTION OF THE CURRENCY

Immediately after the close of the war, when an attempt was made by the government to get the finances back on a stable specie basis, there was much difference of opinion as to the best procedure. Gold and silver had practically disappeared from circulation, and the legal-tender notes, as has been seen, had greatly depreciated in value. The Secretary of the Treasury,

McCulloch, thought that the currency could be brought up to a specie standard and gold and silver drawn into circulation by the withdrawal of a portion of the greenbacks. In April, 1866, Congress acceded to his wishes by granting him authority to retire \$10,000,000 of greenbacks within the next six months and \$4,000,000 a month thereafter. On April 4, 1868, however, after the total amount had been reduced to \$356,000,000, further contraction was suspended by Congress. Meanwhile the rise in the value of the greenbacks and the post-war reorganization of business brought about a commercial depression, which was popularly attributed to the policy of contraction. At the same time a decline in prices for foodstuffs was bringing real hardship to the debtor farmer, whose immediate interest appeared to depend upon the maintenance of an abundance of cheap money. The bondholding creditors, however, considered this policy not only as an attempt to rob them of their just interest but as detrimental to the credit of the government. By 1868 the inflationists had perfected their organization and, as has been seen, induced the Democrats to embody their ideas in the party platform. Though the election of Grant insured the payment of the debt in gold, the inflationists continued the fight. Eventually, however, the government fixed the amount of the greenbacks in circulation at \$346,681,016, a figure at which it has remained since 1878.

### THE PANIC OF 1873

The country as a whole, however, appeared to be very prosperous. During the four years preceding 1873 more than twenty-four thousand miles of railroads were constructed, besides hundreds of miles which were rebuilt or on which double tracks were laid. Iron furnaces and mills were crowded to the limits of their capacity, and large importations of iron were made from abroad. Manufactures of almost every description were expanding and multiplying in numbers. In all the industrial centers building operations were being pushed forward feverishly. Laborers had full employment, wages were good, and an increasing stream of immigrants poured into the country. There was, to be sure, con-

siderable discontent in some sections of the country, particularly in the agricultural West, but this did not assume alarming proportions until after the financial crash of 1873.

In spite of the prosperity that seemed evident on every hand, there was much in the economic practices of the time that indicated the early appearance of a reaction. The monetary system of the country was radically defective. Moreover, the inflated currency not only stimulated private and governmental extravagance of the worst character but also led to ill-advised and reckless speculation. To add to the danger of the situation, the fact that great sums had been borrowed in Europe, together with the unfavorable balance of trade, caused many millions in specie to be shipped abroad annually to the discomfiture of the American money market.

At the same time business conditions in Europe, from which much capital had been drawn in the past, were most unsettled. The American Civil War, the Austro-Prussian and Franco-Prussian wars in Europe, the French invasion of Mexico, the English campaigns in Abyssinia, and civil strife in Latin America piled up heavy economic debts and brought about extensive financial readjustments. In Europe as in America the currency was inflated and business conditions were seriously disturbed. Furthermore, the train of exposures of high financing during the late sixties and early seventies, in which some of the largest business concerns in America were involved, caused those Europeans who possessed capital to withhold it entirely or to exercise caution in purchasing bonds and securities in the United States.

Although the number of business failures exceeded four thousand in 1872, with losses of more than \$121,000,000, it was not until September of the following year that the final collapse occurred. At that time Jay Cooke's banking firm, which had done much to finance the Civil War, went into bankruptcy as the immediate result of reckless financing of railroads. In rapid succession there followed the failures of many of the leading banking houses in New York, and within a few weeks the panic had spread to all parts of the country. Meanwhile the total aggregate of mercantile failures approached the billion-dollar mark, and the army of unemployed reached into the hundreds

of thousands. Wages were reduced, and serious industrial disturbances took place, with great loss of life and property.

To relieve the financial situation the government could do little. By the end of 1873 it was evident that the whole economic structure had collapsed and that much time would be required to restore normal conditions. When Congress assembled in December, 1873, such a strong movement developed with its main impetus in the West for the further inflation of the currency that in April of the following year an act was passed providing for the increase of the total amount of greenbacks in actual circulation to \$400,000,000 (the Secretary of the Treasury had previously released \$26,000,000, although his authority for this action was questioned). When the bill reached Grant he was much at a loss to know what course to pursue, but in the end he disregarded the advice of the party leaders and vetoed the bill.

#### THE DÉMOCRATIC LANDSLIDE OF 1874

From the point of view of the Republicans the panic came at a most inauspicious time. During the winter of 1873-1874 the executive and legislative departments of the government alike devoted themselves to the problems of currency and finance; but in Washington, as in the country as a whole, there was great difference of opinion as to what course to pursue. For the most part the West, where a formidable agrarian movement had developed irrespective of previous party alignments, was pitted against the East in a determined effort to force a further inflation of the currency. No less embarrassing to the Republican party leaders was the widespread maladministration in many departments of the government. Scarcely a cabinet member escaped the charge of systematic evil-doing, and the vicious effects of the spoils system were so pronounced that inefficiency and graft were evident on every hand. Especially significant in influencing public opinion were the scandals connected with the collection of internal revenue, which culminated in the Sanborn Contract exposures in the spring of 1874. By these and similar arrangements individuals were guaranteed large commissions (often running as high as 50 per cent) for the ferreting out and

the collection of taxes illegally withheld from the government. Through the carelessness or criminal collusion of agents of the Treasury, Sanborn, who was a henchman of B. F. Butler, one of the most influential members of the Republican party in Congress and a confidential adviser of Grant, was authorized to collect, with the usual commission, several million dollars' worth of taxes which would normally all come into the Treasury. The publication of the scandalous character of these transactions resulted in the abolition of the system and the resignation of W. A. Richardson, Secretary of the Treasury.

The alignment of Grant with B. F. Butler, O. P. Morton, and Roscoe Conkling, the recognized leaders of the party, all of whom were staunch advocates of the spoils system and consequently enemies of the movement for civil-service reform, caused a renewal of the anti-administration feeling in the Republican party which had played an important part in the presidential election of 1872. To counteract the strong movement which had set in against the party, an effort was made to revive the Southern issue. In Louisiana, Texas, and Arkansas the white men were making desperate efforts to regain control of the state and local governments. Had it not been for the high-handed measures of the Republican leaders, supported by the Federal government, their purpose would have been attained without much difficulty. As it was, riots occurred in a number of places, particularly in Louisiana, where the White Leagues were very active.<sup>1</sup>

The injection of the Southern question into the election proved wholly ineffective, for the Northerners had grown tired of the continued harping on the issues of war and reconstruction. Other problems which had come to affect their vital interests were more important to them and received first consideration when they cast their ballots. At the state elections in the fall of 1874 the Democratic candidates triumphed in a majority of

<sup>1</sup> On more than one occasion congressional committees after thorough investigations condemned in no unmistakable terms the acts of Grant's administration. Although in Louisiana presidential support of the radical Kellogg government continued for a time, public sentiment in the North caused the administration's policy in Texas and Arkansas to be maintained in so half-hearted a way that the governments of both states passed into the hands of the white conservatives.



## HISTORY OF THE UNITED STATES

the states, including New York, Indiana, Ohio, Pennsylvania, and Massachusetts. In the congressional elections the "tidal wave" (the term used to describe the results) transformed a Republican majority of two thirds in the House of Representatives into a Democratic one of 168 to 108 with 14 Liberals, or Independents. The Republicans maintained control of the Senate, although their strength was considerably reduced. This landslide, which placed the House in the control of the Democrats for the first time since 1861, presaged an early termination of the radical policy toward the South and, with it, the end of the era which had begun with the election of 1866.

### THE RESUMPTION OF THE SPECIE PAYMENTS ACT OF 1875

When the old Congress assembled in December following the Democratic victory of 1874, it gave special consideration to the financial condition of the country. John Sherman of Ohio, chairman of the Committee on Finance in the Senate and a recognized authority in that field, labored diligently to formulate an acceptable plan for a speedy return to specie payments. Early in the session he secured the appointment of a committee of eleven members, of which he became chairman, to prepare a bill for presentation to Congress. The work of this committee went forward with surprising speed. As a result of the spirit of concession which the individual members displayed they soon reached an agreement. The bill which they prepared and which ultimately became a law (January 14, 1875) provided for the coinage of ten-cent, twenty-five-cent, and fifty-cent silver pieces to replace the fractional paper currency and for the gradual retirement of the greenbacks from \$382,000,000 to \$300,000,000. The bill provided further for the resumption of specie payments on January 1, 1879, and authorized the Secretary of the Treasury to sell bonds to an amount sufficient to establish and maintain a gold reserve of \$125,000,000.

## AGRICULTURAL DISCONTENT

Meanwhile in the West, where economic conditions were thoroughly demoralized, an agricultural revolt of considerable significance was being organized, the consequences of which were to be felt throughout the land in one form or another until the end of the century. The high prices and the easy credit prevailing there during the sixties attracted millions of people into the region, most of whom established themselves on farms purchased when land values were exceptionally high and when the inflation of the currency was at its peak. Overproduction was the inevitable result. To be sure, for a brief period during the war the farmer prospered, but this prosperity only stimulated further expansion. Then, with the improvement of agricultural conditions in Europe and the close of the American Civil War in 1865, the prices of crops declined until the seventies, when the farmer was unable in many instances to meet the expenses of production. Furthermore, the majority of farms carried heavy mortgages, many of which came due during the period of agricultural depression. Since these loans had been obtained at a time when prices were high and the currency was inflated, the fact that the final payments had to be made during a period of low prices and deflated currency imposed on the farmers an added burden, in many instances the doubling of the actual value of the mortgages. Though the condition of the farmer had been growing steadily worse since the close of the war, it reached an alarming stage after the business collapse of 1873.

As he analyzed the situation to discover the cause of his distress, the farmer saw many things in the existing economic and political order that displeased him and that appeared to work against his interests. The publicity given the government scandals, referred to above, led him to believe that the government was not only corrupt but the tool of the moneyed interests of the East, which maintained paid lobbies in Washington and in all the state capitals. The granting of tracts of land to the railroads to aid in their construction, although at first approved, came to be considered a gross injustice to the American home-seeker and an unwarranted concession to the railroad corpora-

tions. Again, the system of railroad-financing, with its juggling and its watering of stock, together with the exorbitant profits expected by the stockholders, caused the freight rates to be advanced to a point where they often exceeded the cost of production. To these grievances were added the high cost of agricultural machinery, the exactions made by the middlemen, and the deflation of the currency, already discussed.

### THE NATIONAL GRANGE OF THE PATRONS OF HUSBANDRY

Because of the individualism of the farmer and his geographical isolation, coöperative effort to redress his grievances was, as it had always been, exceedingly difficult to attain. By the sixties, however, improved methods of transportation and public education had brought the farmers of the land into much closer contact than ever before and had created in them a community of interest that awaited only organization and direction to become an influential factor in the history of the country. The answer to this need was the National Grange of the Patrons of Husbandry, an order which had as its object the extension to its members of the advantages of education, relaxation, social intercourse, and the general improvement of their economic status. This organization, composed of local, state, and national societies, or, as they came to be known, granges, had an elaborate constitution, which provided for ritualistic ceremonies resembling in many respects those of the Odd Fellows. Although the order (the first local chapter of which was established in 1867) grew but slowly for several years, it experienced a remarkable impetus between 1871 and 1874, when the local granges reached the number of fifteen thousand and the total membership more than a million and a half. The main strength of the organization was in the region west of the Alleghenies, though societies were to be found in all the states except three. The period of greatest activity and influence was between 1871 and 1878. After that there was a pronounced decline in the membership.

The numerous conventions of the Grangers espoused the cause of agricultural education and assailed all forms of political corruption, which appeared to be prevalent in most of the state

legislative bodies as well as in the national Congress. In addition to the educational and social advantages which the order sponsored, it gave special attention to the question of legislative regulation of freight charges and the promotion of coöperative effort. As a matter of fact, it actually established a large number of elevators and warehouses for the storage of grain, purchased farm machinery, and instituted numerous agencies designed to eliminate the profits of the detested middlemen. Although the constitution of the Grange prohibited the order from active participation in politics, the individual members reserved the right to seek redress for their ills in political action. On the whole the order, though it failed to accomplish all that it hoped in its program for economic betterment, proved a powerful factor in crystallizing and organizing agricultural sentiment for concerted action, which was destined in time to attain positive results.

#### AGRARIAN PROTESTS AGAINST MONOPOLISTIC DOMINATION

Coincident with the development of the Grange and indirectly associated with it was the formation of numerous independent political parties. Since these organizations, although differing in their programs on local issues, had as their chief objectives the destruction of all forms of monopoly in business, they are commonly referred to as antimonopoly parties. The movement was especially strong in the grain-producing states of the old Northwest; but by 1873 only four states of the Union — Connecticut, Rhode Island, Delaware, and Nevada — were without these organizations. A number of states had antimonopoly legislatures and governors, and four members of these organizations were elected to the United States Senate and a score or more to the national House of Representatives. These parties were hostile to the railroads, whose high and discriminating freight rates, apparent disregard of the rights and the interests of the farmers, and dishonest business practices antagonized them, inasmuch as they could market surplus crops only by means of these lines of communication. To a slightly less extent the grain-elevator corporations and farm-machinery companies

shared with the railroads the ill will of the Western farmers. On every hand they denounced these powerful business organizations as "monopolists," "extortioners," "banditti," "tyrants," and "Shylocks." The railroads, they maintained, "defied the law, plundered shippers, impoverished the people and corrupted the government." They asserted that the government possessed ample power to regulate and restrict the business practices of the corporations, by virtue of their quasi-public character, so as to protect the interests of the people. The antimonopolists, by independent action or by association with one or the other of the major political parties, brought under their control the governments of seven of the states of the Northwest. The result was the passage of a series of laws, usually referred to as the Granger legislation, which attempted to correct the existing abuses, to prevent unjust discrimination and extortion in the freight and passenger tariffs on the different roads.<sup>1</sup> In a number of instances maximum fares were established either by legislation or by state railroad commissions created for that purpose. Some of the states either built grain elevators and warehouses or made provisions for the close supervision of those operated by individuals or corporations.

The railroads stoutly contested the legality of this legislation. The Supreme Court of the United States sustained it in 1877, however, in the so-called "Granger cases," asserting that the English common law had given the people the right to establish rules "requiring each citizen to so conduct himself, and so use his own property, as not unnecessarily to injure another." "When private property is devoted to public use," the decision continued, "it is subject to public regulation"; and it maintained that the application of the law included all common carriers and millers. Before this decision was rendered, however, the drastic features of the legislation had been either repealed or so modified as to be unobjectionable to the railroads, whose development in the region had been seriously handicapped by the agitation. In the case of the *Wabash Railroad Company v. the State of Illinois*

<sup>1</sup> The first law of this kind was passed in Illinois in 1869, to be followed during the next decade by similar legislation in Michigan, Wisconsin, Minnesota, Iowa, Indiana, California, and Kansas.

in 1886, however, this decision was modified and the power of Congress to regulate interstate commerce was definitely recognized. Though meanwhile the antimonopoly movement was losing much of its force, much of its spirit found expression in the activities of the new Greenback party in the late seventies and in the eighties. Moreover, the Granger legislation had established a sound basis as well as a precedent for the regulation of business, a problem which was to loom large as a national issue during the succeeding half-century.

### PROBLEMS OF THE REPUBLICAN PARTY

While the West was seething with disaffection Grant's administration was beset on every hand with other embarrassing problems. The "eternal Southern question" was a constant source of trouble, particularly since the Northern people were becoming tired of even its discussion. Moreover, the succession of exposures of graft and inefficiency on the part of Federal officials, disclosing a condition which, as has been seen, had characterized the conduct of the government since Grant's inauguration in the spring of 1869, caused no end of anxiety to the party leaders.<sup>1</sup> The currency question, which had assumed large proportions in the West, divided sentiment in the East also. Reformers of the civil service and the tariff were to be found everywhere; and the independent Republicans, who allied themselves with the Liberal Republican movement in 1872, remained for the most part unreconciled. In this condition the Republican party faced the presidential election of 1876.

<sup>1</sup> Early in 1875 a gigantic whisky ring, which was defrauding the government out of millions of dollars annually, and which had had among its beneficiaries many men in positions of distinction in Grant's administration, was disclosed by B. H. Bristow, the new Secretary of the Treasury. In the following spring the Secretary of the Interior, W. W. Belknap, was found guilty of gross malfeasance in connection with the management of Indian affairs. Irregular and criminal practices were found to exist in other departments, particularly in the Post Office, War, and Navy. Even more sensational were the charges brought against James G. Blaine, the brilliant Republican leader in the House, of having accepted favors from land-grant railroad companies. Although he appeared before the House in his own defense and read the "Mulligan letters," upon which the accusation was largely based, he did not succeed in convincing the public of his innocence.

## THE PRESIDENTIAL ELECTION OF 1876

For the honor of leading the Republican party in the approaching presidential campaign there were a number of contenders in spite of the disrepute in which the party was held and the factionalism which characterized the conduct of its affairs. Even Grant appeared to be in a receptive attitude toward a third term. His hopes, however, as well as those of the numerous officeholders and political satellites who agitated his candidacy, were crushed when Republican conventions in a number of states and the House of Representatives adopted resolutions condemning the third term as unwise and "fraught with perils to our free institutions." Grant's particular supporters then divided between Senator O. P. Morton of Indiana and Senator Roscoe Conkling of New York, both of whom were outspoken partisans of the conservative school. Somewhat more moderate than these two in his attitude toward public questions was James G. Blaine of Maine. He was a fascinating orator, a man almost unexcelled in gracious manners and captivating personality and possessed of the rare gift of forming lasting friendships. Moreover, his ability as a political leader could not be discounted even by his worst enemies. As Speaker of the House for eight years preceding the Democratic victory of 1874, he displayed exceptional skill as a parliamentarian. Although not an uncompromising adherent of "Grantism," he was usually identified with the stand-pat element in his party. In January, 1876, as a means of attracting attention to his own candidacy and of furnishing an issue in the campaign, he skillfully revived war hatreds in a speech in Congress in which he attempted to fasten on ex-President Davis of the Confederacy the responsibility for the "gigantic murder and crimes of Andersonville." As he anticipated, the Southerners rose to defend Davis and the South. Thus by cleverly leading them on, Blaine succeeded in furnishing the Republicans with a definite campaign issue. Regardless of the attempt of conservative people everywhere to discredit it, the "bloody shirt" was exposed to the gaze of political audiences throughout the North with telling effect. Blaine's candidacy was seriously hampered, however, by the recent exposure

in connection with certain land-grant railroads to which he appeared to have shown favoritism during his Speakership of the House.

The independent Republicans, many of whom had been affiliated with the Liberal reform movement of 1872, were united in their opposition to Blaine, Morton, and Conkling. Through the efforts of Schurz and other leaders of the group the strength of the independents was given to the candidacy of B. F. Bristow, who had succeeded Richardson as Secretary of the Treasury and whose prosecution of the Whisky Ring had identified him with the reform elements in the Republican party. Among the favorite sons was Governor R. B. Hayes of Ohio, a man with an excellent public record and of unquestionable integrity.

When the Republican convention assembled on June 14 it adopted a platform highly commendatory of Grant's entire administration regardless of the protests of the reformers. Nevertheless when the time came to select the nominee of the party, the independents developed unexpected power. On the first ballot the vote stood Blaine 285, Morton 125, Bristow 113, Conkling 99, and Hayes 44. Blaine's vote was increased to 308 in succeeding ballots, but it was soon evident that he could not obtain the 378 necessary to nomination. On the fifth ballot there was a marked trend toward Hayes, which increased till on the seventh he obtained the nomination. Although Hayes was generally regarded as a neutral in the Republican factional fight, his letter of acceptance of the nomination placed him squarely on the side of the independents. Not only did he condemn the spoils system and declare his intention of destroying it, but he expressed his desire to "wipe out forever the distinction between North and South in our common country." On the money question he came out strongly for sound currency, even attempting in the campaign to make the contest one between the inflationists and the contractionists.

When the Democrats assembled in their national convention on June 27, there was little discord in their ranks. Indeed, the record of Republican misrule and corruption during Grant's eight years not only furnished the basis of a platform but also indicated clearly the necessity of nominating a reform candidate



for president. In Samuel J. Tilden, who as a private citizen had been largely instrumental in ousting from power the strongly entrenched Tweed Ring in New York City and who as governor of New York in 1874 had exposed the frightful rascalities of the "Canal Ring" of that state, they possessed a candidate eminently fitted for this particular campaign. Furthermore, his position on the currency question was sound. Although his nomination was contested by T. A. Hendricks of Indiana, a moderate supporter of inflation of the currency, and by a number of favorite sons, Tilden obtained the necessary two-thirds majority on the second ballot.

The Democratic platform denounced Grant's administration and the entire course of the Republican party during its sixteen years of ascendancy, emphasizing especially its corruption, its Southern policy, its high tariff, and its delay in resuming specie payments. In his letter of acceptance Tilden dwelt with special fullness on the need of reform in the finances and took a stand on the spoils system and the civil-service question not dissimilar to that of his Republican rival.

Two new national parties held conventions and nominated candidates the same year. The first of these, the Prohibition Reform party, adopted a platform calling for the abolition by constitutional provision of the manufacture and sale of "alcoholic beverages" in the United States. General Green Clay Smith, a former congressman from Kentucky and governor of Montana Territory, was nominated for president. The Independent National Convention, called by the second new party, was the logical successor of the National Labor party of 1872, whose main strength was in the East, and of the antimonopoly and Greenback parties in the West.<sup>1</sup> As this group was the political fruition of the financial depression of 1873 and the consequent distress, its strength lay chiefly in the grain-producing states of the West. Its members were commonly

<sup>1</sup> Though the political programs of the various labor organizations differed somewhat, they demanded in the main the abolition of the national banking system, the taxation of government bonds and their redemption in currency, the retention of the legal-tender greenbacks convertible into 3 per cent government bonds, the revision of the tariff, an eight-hour day for government employees, and the creation of departments of labor and public lands in the national government.

known as "Greenbackers" because they opposed the resumption of specie payments and the contraction of the currency. They nominated for president Peter Cooper, an aged philanthropist of New York.

The campaign was waged with vigor and skill on both sides. The liberal utterances of Hayes won for him the support of Carl Schurz and a majority of the independent Republicans. Nevertheless many Republicans, among whom were the Adamses of Massachusetts, joined forces with the Democrats. Acting on the assumption that the "main interest" with the "plain people" was not so much "reform" as fear that a Democratic victory would bring the leaders of the late Confederacy into power, with the result that payment would be made to former masters of several billion dollars as compensation for their slaves and other "rebel claims," Republican speakers went throughout the North "waving the bloody shirt." Moreover, they questioned the personal integrity of Tilden, particularly in connection with certain railroad bankruptcy proceedings and the filing of his income-tax returns. To the conservative business men they pointed out that in case of the death of Tilden, whom they represented as being in feeble health, the presidency would devolve upon Hendricks of Indiana, the vice-presidential nominee, who favored a "soft money" program. Nevertheless the Democrats, who were equally active, succeeded for the most part in forcing the issues; indeed, during the major portion of the canvass they kept the Republicans clearly on the defensive.

### THE CONTESTED ELECTION RETURNS

Late on the night of the November election it seemed evident that Tilden had won. Therefore on the following morning all the leading Democratic papers claimed, and most of the Republican papers conceded, the victory. New York, Connecticut, New Jersey, and Indiana, the doubtful states in the North, were safely in the Democratic column, while in the South every state in which the Republican régime has been overthrown returned substantial Democratic majorities. In South Carolina, Florida, and Louisiana, however, where hot contests had been

waged for redemption from Republican rule, the results were uncertain, though Tilden appeared to have obtained a safe majority in Louisiana. Of the 185 necessary electoral votes he had 184. Hence the Republicans needed every contested vote. Apparently, after the Republican party leaders had abandoned practically all hope of winning the election, their attention was called to the fact that victories in the three Southern states, in which considerable rioting and violence had occurred, would give the presidency to Hayes by one single vote. With the hope of using the local disturbances as a basis for contesting possible Democratic majorities Republican delegations were immediately dispatched to South Carolina, Florida, and Louisiana. This action prompted the Democrats to pursue a similar course. In their efforts to promote the interests of the candidates of their respective parties these "visiting statesmen" resorted to means that imperiled many good reputations on both sides. Throughout the country excitement was intense. Half the population believed that Tilden had been the victor and that the Republicans were trying to steal the election. Many were professing a determination to place him in the White House, by force if necessary. In fact, in many places Tilden "minutemen" were organized and armed in readiness for the anticipated conflict. The Republicans were equally determined on their part to support what they maintained were the just claims of their candidates.

The question was a difficult one to decide because of the violence that had prevailed in the three Southern states on election day. The regularly constituted election returning boards in each of the three states in question, however, rendered a verdict in favor of the Republicans, and the governors officially approved their findings. As the Democrats in each instance contested the legality of these proceedings, their electors met in their respective state capitals on the day named by the Constitution, cast their votes for Tilden, and forwarded them to the president of the United States Senate. It was soon clear that South Carolina might be eliminated from the dispute, since the Republican electors had received sufficient, if small, majorities, although the Democrats continued to question the results. A similar situation existed in Florida, where, as in the other two

states, there had been much confusion in voting and no considerable amount of intimidation by both factions. The election, however, was so close that the Republicans claimed the state by 45, and the Democrats by 93 votes. The election boards canvassed the returns and, after some purging, certified the Republican electors. In Louisiana the situation was more serious for the Republicans, as an apparent Democratic majority of 6300 had to be overcome. The returning board, which was composed of four Republican members of more or less unsavory reputations, succeeded in eliminating enough votes to secure the election of the Hayes electors. The Republican "statesmen" came home by way of Ohio to assure Hayes of the fairness of the proceedings. All Democrats, however, and many Republicans of the North continued to feel that a great injustice had been done to Tilden, who appeared to have had a clear legal majority for the presidency.

While the matter of the Southern electors was pending, the Democrats questioned the right of one of the Republican electors in Oregon to serve, on the ground that he was a Federal officeholder. When the question was called to the attention of the Democratic governor, he gave the certificate to the Democratic candidate for elector with the largest vote. The result was that two sets of returns were sent from that state to the president of the Senate.

#### THE ELECTORAL COMMISSION

When the question of all the contested delegates was transferred to Washington, much difference of opinion existed there as to the proper method of procedure. The Constitution provided that the electoral votes be counted by the president of the Senate in the presence of the two Houses, but it did not confer on him the right to discriminate between votes sent to him. Neither did it specify the part the House and the Senate were to take. Since the Senate was Republican and the House Democratic, no agreement for joint action could be reached; and, since the country was threatened with civil war, an early settlement of the question was deemed advisable by the leaders of both parties. The result was the passage of a bill providing

for the appointment of an electoral commission, composed of five members of the House, five of the Senate, and five judges of the Supreme Court, two of whom were to be Republicans, two Democrats, and the fifth an independent to be selected by the other four judges. Since the commission thus constituted would contain seven Democrats and seven Republicans, the selection of the independent judge was very important. At first Judge David Davis was agreed upon; but since on the day the plan was submitted to Congress he was elected a Democratic senator from Illinois, he was automatically eliminated. Though the Democrats were embarrassed by this unexpected turn of events, it was too late to withdraw from the agreement. After much bickering Justice Bradley, who had Republican leanings, was chosen.

The commission thus constituted began its hearings on February 1 with the case of Florida. After prolonged deliberations it decided by a strictly partisan vote of 8 to 7 that Congress could not go behind the decision of the state election board when the proper authorities in Florida had signed it. In accordance with this principle the electoral votes were given to Hayes. The same procedure was followed in the case of Louisiana, as the commission refused to accept evidence outside of the papers submitted to the two Houses with the certificates of the electoral votes. Thus the responsibility for any wrong that may have been committed was thrown back on the shoulders of the state authorities. The opinion of the commission was that neither the Constitution nor any existing law gave Congress the right to go back of the returns of the state boards when they were properly certified. In the cases of South Carolina and Oregon it decided unanimously in favor of the Republican electors. These decisions were significant because of their strong tendencies toward states' rights and because of the complete reversal (in these instances, at any rate) of the policy of the Republican party.

In Congress a stormy filibuster was conducted against the acceptance of the work of the commission until a compromise was arranged between the Democratic leaders from the South and the Republican spokesmen by which military support was

to be withdrawn from the radical governments in the South.<sup>1</sup> Two days after the decision of the commission, Hayes, who had thus obtained a majority of one vote, was quietly inaugurated president. During the entire controversy he had maintained the keenest interest, but in all conferences with the leaders of his party he had insisted that no dishonest or improper course should mark any action taken in his behalf. By the first of March the doubt which he at first held concerning the legality of his election had been entirely overcome, and he entered on his new duties with an easy conscience and an honest heart. At the same time, throughout the electoral crisis President Grant displayed an attitude of fairness that contrasted favorably with his course at other times during his administration. Nevertheless the Democrats, probably justly, have ever regarded the election of 1876 as a stolen one.

<sup>1</sup> Hayes, however, appears to have had no part in these understandings.

## CHAPTER VIII

### THE ADMINISTRATION OF RUTHERFORD B. HAYES

#### RUTHERFORD B. HAYES

At the time of his inauguration as president of the United States on March 4, 1877, Rutherford B. Hayes was fifty-five years of age. Although he was less known nationally than James G. Blaine, Roscoe Conkling, Ulysses S. Grant, and other members of his party, his records, private and official, had been creditable. After his graduation from Kenyon College he entered the legal profession and for a time held the post of solicitor in that thriving commercial metropolis of the West, Cincinnati. He entered the Union army at the outbreak of the Civil War and rose through a succession of singular achievements from the rank of major of Ohio infantry to that of brigadier general and brevet major general. In 1865 he entered the national House of Representatives, and from 1868 to 1872 he was governor of his native state. Three years after his retirement from that office, in 1872, he was again nominated by the Republicans of the state for the governorship. In the campaign which followed, the "honest money" issue attracted nation-wide attention and made of Hayes, the successful candidate, a presidential possibility in 1876.

Although the bitterest animosities had been aroused by the election crisis that preceded his inauguration as president, Hayes's administration of the government was dignified and on a high plane. This is especially noteworthy because of the fact that the Democrats were in control of the House during his entire term and of the Senate after the congressional elections of 1878. Though Hayes did not possess the brilliant qualities of some of his contemporaries, he had a resolute will, irreproachable integrity, and a comprehensive and remarkably healthy view of public affairs. His judgment was sound, and his opinion, when

once formed, was stable and consistent. His state papers were written with painstaking care. Moreover, his stand on public questions was taken only after due consideration of the moral forces involved. Indeed, so puritanical were his scruples that the less conscientious Republican leaders who had dominated the party and the nation for the past decade commonly ridiculed him as the "old woman" and "Granny Hayes," and his political program as the "milk-and-water diet." With him every problem of government was made a matter of conscience, the solution of which was always based on the highest ethical standards. Carl Schurz, his Secretary of the Treasury and intimate personal friend, said of him after the expiration of his term as president, "The uprightness of his character and the exquisite purity of his life, public as well as domestic, exercised a conspicuously wholesome influence, not only upon the personnel of the government machinery, but also upon the social atmosphere of the national capital while he occupied the White House."

President Hayes was influenced in the maintenance of a high sense of honor by his wife, who held similar standards of feeling and conduct. Her sense of purity and simple comfort were in striking contrast to the atmosphere of the camp and the free and easy ways of the Grants, who preceded her. When she, as mistress of the White House, announced that no alcoholic beverages would be served at her table, she created not only a national but an international sensation; in fact, several American and foreign statesmen declined invitations to the usual diplomatic dinners as a protest against the innovation. Needless to say, her dignified example served to ameliorate in part the marked grossness which had come to characterize Washington society.

In his inaugural address President Hayes discussed with dignity the disputed presidency and mapped out for himself a high moral program second to none in the history of the country. To the South he made an especial appeal. It would be his studied purpose, he said, that he might "forever wipe out in our political affairs the color line and the distinction between North and South, to the end that we may have, not merely a united North or a united South, but a united country." He felt that it was the right of the South to have "wise, honest and peaceful self-



government," but that in gaining this end the rights of the recently emancipated Negroes should not be "infringed or assailed." On the question of the civil service his statements were full and explicit. One of the greatest needs of the country, he declared, was "a return to the principles and practices of the founders of the government." He condemned the custom of making appointments merely as a reward for party services. Not only did he admonish governmental appointees to give their undivided loyalty to the people regardless of party affiliations and approve indefinite tenures based on good behavior and efficiency, but he assailed the practice of levying assessments on public officials by party organizations. The president of the United States, he said, "should strive to be always mindful of the fact that he serves his party best who serves his country best." On the currency question Hayes advocated an early return to specie payments, declaring that the only "safe paper currency" was one resting upon "a coin basis."

The President's address was unusually well received in the country at large and did much to bring about a reconciliation between the rival partisans who had taken conspicuous parts in the election crisis. According to *Harper's Weekly* few political documents had been superior to this speech in "mingled wisdom, force and moderation of statement." Not only was it "manly and sincere" in tone, but it enunciated a "new spirit in the conduct of public affairs."

In the selection of his cabinet Hayes chose men who were in sympathy with the high ideals expressed in his inaugural address. He did not wholly disregard party affiliations, however, for he thought of himself as a party man. Yet before his administration was well under way he found himself at variance with the conservative Republican leaders and in the end almost literally a man without a party. He considered political organizations as instruments to be used for the good of the country as a whole, while his opponents thought of them as ends in themselves. Nevertheless Hayes gathered about him an unusually capable group of advisers. For Secretary of State he named William M. Evarts, a lawyer of exceptional brilliance who had defended Andrew Johnson in the impeachment trial and had appeared as

counsel for the United States at the Geneva arbitration. As Secretary of the Treasury he chose John Sherman of Ohio, a man whose knowledge of financial matters had been well established in his twoscore years and more of service in Congress. The post of Secretary of the Interior was awarded to Carl Schurz, a representative of the independent thinkers in politics and a leader in civil-service reform and in the Liberal Republican movement of the early seventies. As a measure conciliatory to the South, Hayes planned to appoint General Joseph E. Johnston, one of the great commanders of the Confederacy, to the position of Secretary of War, but he was induced to give up the idea. In the end he named David M. Key of Tennessee, an ex-Confederate soldier and a Democrat, for his Postmaster-General. The other members of the cabinet were George M. McCrary of Iowa, Secretary of War; Charles Devens of Massachusetts, Attorney-General; and Richard W. Thompson of Indiana, Secretary of the Navy. According to the President's critics only four members of the cabinet were real Republicans.

### THE SOUTHERN QUESTION

Scarcely had the administration of Hayes begun when it was called upon to grapple with the "eternal Southern question." Of the eleven states that had formed the late Confederacy, all but two, South Carolina and Louisiana, had been redeemed from the carpetbag-scalawag-Negro domination established after the close of the war. In each of these states two rival governments, one Democratic and the other Republican, had existed since the state elections of 1876; and in both capitals Federal garrisons were stationed to maintain order, although Grant after the presidential election of the previous year had instructed the commanders to take no part in the controversy in behalf of the claims of either of the contending factions. The case of South Carolina was the first to demand attention. There the election of General Wade Hampton, the Democratic candidate for governor, and of a Democratic legislature was sanctioned by an overwhelming majority of the white population. However, Governor D. H. Chamberlain and a Republican legislature, to whom

the Board of Canvassers had given certificates of election, were in possession of the state capital and the machinery of the government. After the rival claimants for the governorship had conferred with Hayes in Washington by special invitation, an order, dated April 10, was issued for the removal of the troops from the state capitol. Since the Chamberlain government could not exist without the overawing influence of the Federal soldiers, it was speedily abandoned, and Chamberlain and many of his supporters returned to their homes in the North.

The situation in Louisiana, however, was somewhat more complicated. S. B. Packard, the Republican candidate for governor, had received as many votes as Hayes, the returns for which were canvassed by the same board. If Hayes was entitled to the presidency it would naturally seem that Packard was the rightful governor of Louisiana. A repudiation of one would be a repudiation of the other. As in the case of South Carolina, the Democratic candidate for governor, F. T. Nicholls, and a legislature of his party established themselves with the support of the best element of the population; but the Republicans controlled the regular machinery of the state government, and Federal troops prevented it from being wrested from them by violence. On April 2, 1877, Hayes dispatched a commission made up of men of moderate views to New Orleans to study the situation. Upon their arrival they soon recognized that the claims of Packard's government could not and should not be supported. The individual members of the commission therefore busied themselves in bringing about a reconciliation between the factions, with the result that a considerable number of members of the Packard legislature withdrew and allied themselves with the Nicholls government. On April 9, by order of the President, the troops were withdrawn amid a wild demonstration of the people. The Republican legislature immediately dispersed; and Packard, after having spent "fifteen years in his successful mission" for the Republican party, returned to his home in the North to join Chamberlain in vociferous denunciation of the President for his desertion of the loyal Republicans of the South.

Meanwhile Hayes continued his efforts to bring about a real

reconciliation between the sections. During the latter part of May he visited Tennessee; and on the occasion of the celebration of Memorial Day at Chattanooga he delivered a notable address, paying tribute to the soldiers of the Confederacy as well as to those of the Union. The Federal military band assisted in the decoration of both Union and Confederate graves. On the same day prominent ex-Confederate generals and statesmen visited Northern cities for participation in similar festivities. There were distinct signs of a better day. Indeed, there was much justification for the statement of Hayes after his return to Washington that the country was "again one and united."

### THE STALWARTS

The Southern policy of the President, as embodied in his appointment of former Confederates to responsible governmental positions and in the withdrawal of the Federal troops from the state houses of South Carolina and Louisiana, did not meet with universal approval in the North. It meant to the extremists of the party the abandonment of the agencies under which the Republican party had been built up and maintained in power in the South since the end of the war. Furthermore, the aggressive attitude of Hayes clearly presaged a restoration to him of much of the prestige which the executive had lost to Congress during the Reconstruction Period. Among the opponents of the liberal Southern program of the President were most of the conservative leaders in the Senate and the House, whose influence over all departments of the government had been paramount for more than a decade. Under the general title of "Stalwarts," a name applied to these uncompromising party-men who would not relinquish the grip of the organization on the Southern states, James G. Blaine, B. F. Wade, W. P. Frye, John A. Logan, Benjamin Butler, W. E. Chandler, Simon Cameron, and a considerable number of less important men accused the President of treachery and hypocrisy. In fact, when Congress assembled in extra session in October, 1877, there was much talk of impeachment proceedings. The leaders contented themselves, however, with the hurling of invectives and the re-

jection of numerous appointments made by Hayes. They dubbed the President and the independents who supported him "Half-breeds." During the next three years the fight developed with increasing bitterness. Although the real bone of contention was power as exercised through the governmental patronage, other factors were involved. With the steady drift of public opinion toward Hayes, however, and the definite alignment with the Stalwarts of Conkling, Blaine's bitter personal enemy, Blaine withdrew from active participation in the opposition to the President.

### HAYES AND THE CIVIL SERVICE

After disposing of the Southern problem Hayes turned his attention to the reform of the civil service. As has been seen (pp. 99 ff.), the act of 1871 remained on the statute books, although Congress refused to provide funds for its enforcement. Meanwhile, so great had the evil become of giving out places, large and small, as rewards for party service instead of competency that it was intolerable from the standpoint of all intelligent observers of American politics. At the beginning of each administration the capital was thronged with office-seekers, and for months the President and his cabinet were forced to give the major portion of their time to the dispensing of patronage. Sinecures were created in great numbers, and party machines levied assessments on officeholders for party funds. Held in subjection by threats of dismissal, public officials became mere figureheads working in the interests of their respective parties, to the consequent demoralization of the service. This pernicious system, which had spread from Washington to the state and city governments throughout the land, had aroused such a wave of protest by 1876 that both the great political parties in that year incorporated in their platforms protestations on the subject. In his letter accepting the nomination and again in his inaugural address (p. 152), Hayes announced his intention to bring about a drastic change in the service. His appointment of Schurz, one of the leaders in the movement for civil-service reform, to the post of Secretary of the Interior was a forerunner of his program. He set forth his ideas more fully in a communication to John

Sherman, Secretary of the Treasury, May 26, 1877, in these words: "It is my wish that the collection of the revenue should be free from party control and organized on a strictly business basis. . . . Party leaders should have no more influence in appointments than other equally respectable citizens. No assessments for political purposes on officers or subordinates should be allowed. No useless officer or employee should be retained. No officer should be required or permitted to take part in the management of political organizations, caucuses, conventions, or election campaigns." A little later the substance of this letter was embodied in an order to Federal officeholders, "applicable to every department of the civil service." "It should be understood by every officer of the General Government," the President said, "that he is expected to conform his conduct to these requirements."

This action of the President, coming as it did within six months after his induction into office, struck the conservative Republican leaders with consternation. Theoretically, they were all in favor of improving the civil service and of the use of the reform propaganda for campaign purposes, but they had not expected Hayes to put it into practice. Consequently they resolved to checkmate his efforts in that direction. Hayes, nevertheless, pursued his own course. An investigation of the customhouses in the leading ports revealed that the worst features of the spoils system prevailed in New York, where four fifths of the taxes paid on imports were collected. Chester A. Arthur, who for six years had held the position of collector there, was not in sympathy with the reform ideas of the President. Furthermore, he and A. B. Cornell, the naval officer of the port, were in close relations with Senator Roscoe Conkling in dispensing the patronage of the state. In July, 1878, Hayes boldly removed both Arthur and Cornell and appointed in their places James Roosevelt and L. B. Prince. Conkling, however, was successful in defeating their confirmation in the Senate. The following year Hayes sent in the name of E. A. Merritt, long connected with the customhouse, as a substitute for Roosevelt, who had recently died; and through the influence of John Sherman it received the approval of the Senate.

Though Hayes accomplished a great deal in improving the civil service, especially in the Department of the Interior, the Post Office, and the Treasury, the results were somewhat discouraging to the reformers. Appointments in many departments of the Federal government continued to be made for purely partisan and personal reasons. Moreover, Hayes himself in too many instances failed to adhere to the high standard of political ethics which he had mapped out to use in the selection of government officials. The movement for civil-service reform, however, had been given great publicity and brought under strong leadership; and by means of civil-service-reform associations in nearly every state the question was kept constantly before the public. Hence though Congress could not be induced to meet the situation in a satisfactory way during the administration of Hayes, it was increasingly evident that a final solution of the problem could not be long delayed.

#### INDUSTRIAL DEVELOPMENTS

Coincident with the establishment of a liberal Southern policy and the beginning of a genuine reform of the civil service, widespread industrial disturbances arose, although they were connected only indirectly with these developments. Everywhere society was permeated with a feeling of unrest, which found expression, as has been seen, in both the political and the economic life of the people. In the West it manifested itself in the granges and the Greenback party; in the East it took the form of violent controversies between labor and capital. Indeed, for a quarter of a century following the close of the Civil War all the manifold currents of life seemed swallowed up in the commercial maelstrom. Intense materialism was prevalent. Small business establishments gave way to large plants. Partnerships began to be merged into corporations and these in turn into trusts. Meanwhile the close personal relations between employer and employee, which had been a steadying influence during the days of handicraft and the small factory, had disappeared almost completely and had been replaced by the labor market, with all the coldness and heartlessness which the term implies. As a

result of the problems thus created by the economic development of the time, there arose the so-called captains of industry. By their audacity and aggressiveness they ushered in an era of industrial anarchy unprecedented in the history of the United States. In the confusion accompanying this industrial transformation extreme business fluctuations were witnessed in every community. Waves of prosperity with substantial wage increases were followed in rapid succession by periods of depression, uncertainty, unemployment, and wage reductions. Strikes and lockouts were so common that they came to be recognized as a part of the routine of industrial life.

### THE CONSOLIDATION OF LABOR

It was during this feverish period that organized labor became a dominant factor in the economic structure of the nation, since the individual laborer had learned to rely more and more on group action in his endeavors to secure better wages, shorter hours of labor, and more satisfactory working conditions.<sup>1</sup> Though local labor organizations had existed in the United States from the beginning of the century, not a great deal of progress was made in the consolidation of these locals within the trades into national trade unions before 1850. During the fifties, however, more than twenty-five national unions were established, and the number increased with such rapidity during and immediately after the war that most of the leading trades became so organized. At the same time there was a growing desire to unify the workers of the country by some sort of national organization. The outcome of this movement was the assembling of a labor congress at Baltimore in 1866. The conservative address issued by this body laid down the fundamental principle that "all reforms in the labor movement can only be effected by an intelligent, systematic effort of the industrial classes . . . through trade organizations." It discountenanced strikes, which too often had "been injudicious and ill-advised," except when "all means

<sup>1</sup> From approximately 1,333,000 wage-earners in the United States in 1860, the number increased to 2,000,000 in 1870, to 2,750,000 in 1880, and to 4,250,000 in 1890.



for an amicable and honorable adjustment have been abandoned." And it concluded that the first great task to be accomplished was "the thorough organization of all the departments of labor." The National Labor Union, which the congress formed, held seven annual meetings, and represented at its high tide a membership of six hundred and forty thousand. Unfortunately for its cause, however, it went into politics. The result was that, since most laborers were unwilling to desert their party affiliations, the organization disintegrated rapidly and disappeared entirely early in the seventies. Meanwhile it had been instrumental in establishing labor bureaus and in gathering statistics for the scientific study of labor problems. Largely because of its efforts Congress in 1868 established an eight-hour day for public work.

Coincident with the development of the National Labor Union came the reorganization and amalgamation of existing unions, most of which proceeded to take the form of secret, oath-bound, ritualistic societies. The most important of these was the Knights of Labor, founded in 1869 by Uriah S. Stephens, a Philadelphia garment-cutter. Stephens was a man of great force of character, much learning, and extreme idealism, who discountenanced violence of all kinds and extolled justice. For the society he had adopted the motto "That is the most perfect government in which an injury to one is the concern of all." Not only were his high ideals and principles made an integral part of the organization during its formative period, but they were continued under the Grand Mastership of Terence V. Powderly of Scranton, Pennsylvania, who succeeded Stephens in 1879. Under the leadership of these two men the Knights of Labor had a phenomenal growth. The organization was highly centralized, receiving individual members directly irrespective of their trades or the trade unions to which most of them belonged. The public antagonism aroused by the mysterious initials and the secret ceremonies, all of which gratified the laborers, caused this feature of secrecy gradually to be removed until in 1881 it was entirely abolished. This action, however, failed to detract from the growth of the order. In fact, from fifty-two thousand in 1883 the membership mounted to more than seven hundred

thousand three years later. This development attracted much attention, particularly among the politicians, who feared the influence of this army of organized laborers.

### LABOR DISTURBANCES OF 1877

This rapid growth of large industrial establishments and the consolidation of labor in the period following the Civil War were not only seriously checked by the panic of 1873 and the hard times that followed, but were accompanied by a series of fiercely contested struggles between labor and capital. The first of these, although general in its application, was concerned primarily with the powerful railway corporations, against whom not only laborers but the public as well began to harbor bitter hostility. The railroads felt keenly the business stagnation of the seventies, which resulted in a drastic reduction of both freight and passenger traffic; and matters were complicated further by the fierce rate war between the roads in an effort to obtain such business as there was. The consequence of the decrease in the volume of business and the lowering of traffic charges was the inability of the companies to pay dividends on their capital stock, which in too many instances had been inflated by the corrupt financial practices of the day. In the end more than 20 per cent of the total value of the railway investment of the country was sold under foreclosure of mortgages, and much of the remainder paid little or nothing in the way of dividends.

To meet this railroad crisis the directors attempted, first, to terminate the rate warfare by traffic agreements and, secondly, to reduce the cost of road maintenance and operation by lowering wages. In neither course were they entirely successful. In fact the cutting of expenses, inasmuch as it involved the welfare of thousands of men, created an acute situation. Trouble began with employees of the Baltimore and Ohio Railroad, when in May, 1877, a 10 per cent reduction of wages, the fourth within three years, was announced for July. This action, similar to that of practically all the other leading railroad corporations in the country, was in the form of a peremptory order given without the knowledge or approval of the laborers concerned. The

drama opened at Martinsburg, West Virginia, on July 16. There the firemen took the initiative. By persuasion and threats they induced other workmen to join them, so that train service was blocked. Within a few days the disturbance extended to Cumberland and Baltimore, Maryland, and to other points along the line. Unable to cope with the situation, the local authorities called on the state for assistance. When the militia proved unequal to the task, the governors of the two states concerned asked for and received detachments of Federal troops. These restored order quickly, and traffic was resumed.

Meanwhile trouble of a similar nature occurred among the employees of the Pennsylvania Railroad at Pittsburgh. There the question was somewhat complicated by the fact that the residents of the town were hostile to this particular road because of its consistent discrimination in its freight rates against the business interests of the city. Consequently, when the laborers interrupted the passage of trains, neither the local police nor the militia made any serious attempt to quell the disturbance. When detachments of militia arrived from Philadelphia a pitched battle took place with a heavy loss of life and the destruction of several million dollars' worth of property. Eventually, as in Maryland, order was restored by Federal troops. In New York sixteen thousand militia were called to the colors and were distributed to the points where the strikers were most active. As reports of strife between railroad operators and employees became known, the strike spread quickly through fourteen states from New York to California. In a number of instances the governors were forced to ask for Federal aid. Although the country was in tumult for only two weeks, this was the most serious disturbance of the kind in the history of the country. The land was full of idle men, made so by the four dull years which followed the panic of 1873. In the rioting which occurred at the railroad centers more than seventy-five men were killed and four hundred were wounded. At the same time the suspension of freight traffic on the larger railroads of the country paralyzed business.

Thus the delusion that social and economic uprisings could not develop in democratic America was rudely shattered. Moreover, the disturbance spread to industries other than the railroad cor-

porations, with consequent loss of life and property and the calling out of the military forces to maintain order. The most serious of these industrial conflicts was in the anthracite coal region of Pennsylvania, where several thousand men went on a strike to compel an increase of wages. The situation there was complicated somewhat by the existence of a secret Irish society, the "Molly Maguires," which for ten years had terrorized the counties of the region by cold-blooded assassinations and pillage. Just before the coal strike, however, the leaders of this organization had been arrested, convicted, and hanged. This fact and the presence of garrisons of Federal forces in all the leading towns prevented the striking miners from resorting to violence.

Throughout the trying situation of 1877 President Hayes displayed firmness and tact. The Federal troops, used only for the maintenance of order, were eminently successful as compared with the state militia, which in almost every instance proved incapable of coping with the trouble. Apparently it did not occur to either Hayes or the leaders in Congress, however, that the policy of repression would not and could not cure permanently the economic ills that disturbed the peace of the nation, and that an intelligent solution of the problems which vexed the relations of capital and labor could be found only after a thorough study of the whole question. So prevalent was the idea of *laissez faire* that much time was to elapse before public opinion would permit the government to embark upon any such undertaking.

#### CONGRESSIONAL INVESTIGATIONS OF THE ELECTION OF 1876

In addition to conciliating the antagonistic factional leaders in his own party and weathering the industrial disturbances of 1877, Hayes was forced to face a hostile Democratic House of Representatives, which seemed determined to reopen the question of his title to the presidency regardless of the fact that the Electoral Commission which had decided the issue had received the support of the majority of the Democratic members of Congress. Of course the object of this maneuver was to capitalize the general feeling that the election rightfully belonged to Tilden in order to secure his election in 1880, rather than to bring about

the removal of Hayes before the expiration of his term. The Democrats succeeded in the spring of 1878 in having a special committee appointed to make an examination of the whole question, concentrating its efforts especially on the elections in Florida and Louisiana. In its report to Congress, in which the Republican members of the committee did not concur, the conclusion was reached that Tilden rather than Hayes actually had been elected president. To offset the political effects of this report, the Republican Senate through its committee on privileges and elections began a similar investigation. By a subpoena the committee obtained from the Western Union Telegraph Company some thirty thousand telegrams, many in secret code, which had been either written or received by Tilden's nephew, W. T. Pelton, at his headquarters in New York City. The use of the key to the "cipher dispatches" disclosed that an attempt had been made to influence by payments in money the actions not only of the returning boards in the disputed states in the South but of an Oregon elector as well. Though Tilden denied any knowledge of these proceedings, the Senate's exposure tended to counteract the Democratic attempt to make political stock out of the election results of 1876. The Republicans on their part, before returning the dispatches to the telegraph company, secretly destroyed those that tended to reflect discredit on their own conduct.

#### THE REPEAL OF THE FEDERAL ELECTION LAWS

In the congressional elections of 1878 the Democrats were successful not only in maintaining control of the House but in dominating the Senate as well. The former contained 148 Democrats, 130 Republicans, and 15 Greenbackers; the latter, 42 Democrats, 33 Republicans, and 1 independent. The Democrats profited greatly by the recent removal of disability from ex-Confederates. All but four of the 106 Southern representatives were Democrats, and in the Senate were 30 men formerly connected with the Confederacy. Thus, encouraged by the popular mandate of the people as expressed in the election and by undisputed control of Congress, the Democrats renewed their attack on the administration, shifting their forces, however, to

the Federal election laws or "force bills." This obnoxious legislation provided for national control of presidential and congressional elections in the various states. To this end, supervisors were appointed for individual election districts, Federal judges and marshals had jurisdiction over cases concerning the right to vote, and troops might be used to execute their judgment. In the election of 1876 there were appointed 4863 supervisors and 11,610 deputy marshals, of whom the majority served in Southern states. After the Democratic landslide of 1874 the House of Representatives made repeated attempts to secure the repeal or the revision of this legislation; but a Republican Senate or the president always thwarted their plans. During Hayes's administration they again directed their efforts toward securing the repeal of those provisions of the law which authorized the use of troops in the elections. Had they succeeded the remainder of the legislation would have been of little use, since the Federal courts had no constabulary to give effect to their decrees. By means of "riders" attached to appropriation bills and filibustering tactics, the Democrats on several occasions obtained the approval of Congress only to meet with the executive veto. In June, 1878, however, Hayes was obliged to yield to save the army appropriation bill to which this measure had been attached. Thenceforth the use of troops in elections was prohibited, and consequently the South was given greater freedom in the management of its own affairs. The fight, however, did not end there; for after the Democrats came into control of the Senate as well as the House in 1879, they began an effort to secure the repeal of the other objectionable features of the election laws. Although the President succeeded in defeating these measures for the time being, some important provisions of the legislation were declared unconstitutional during the following administration; and in 1894, when the Democrats held the presidency as well as Congress, the last vestige was cleared from the statute books. One important result of the Democratic assault upon the election laws was to reunite the factional elements within the Republican party before the opening of the presidential campaign of 1880. The Democrats, on the other hand, appear to have lost by this political maneuver rather than gained.

### THE MOVEMENT FOR THE FREE AND UNLIMITED COINAGE OF SILVER

While Hayes's administration was being vexed with a factional fight in the Republican party and hindered in the enactment of its legislative program by the persistent attempt of the Democrats in Congress to force the repeal of the Federal election laws, the highly complicated monetary question forced itself on the attention of the country. For a decade and more the volume of currency in circulation had not been satisfactorily adjusted to the business needs of the country. The result was that neither prices nor the value of the currency itself remained stationary (pp. 126 ff.). At the end of the war the government, as has been seen, began a policy of contraction of the currency, which was accompanied by a gradual decline of prices. The West and the South, — which had borrowed heavily, one to develop its farming resources and the other to repair the waste of the war, — together with the debtor classes, were opposed to the redemption of the legal-tender notes and other features of the government's program of contraction, while the creditor and big-business interests supported it. As conditions in business became settled after the war and particularly after the hard times that followed the panic of 1873, during which the prices of both grain and cotton fell to a point where they could not be produced at any profit whatever, the demand for a reversal of the government's policy to an actual inflation of the currency became widespread. The question was complicated because of the character of the national currency. Since legislation limited the amount of the greenbacks, any further expansion would interfere with the plans for the resumption of specie payments. Furthermore, the quantity of national bank notes, which was determined by the amount of government bonds held as security, was being steadily decreased as the debt was paid off. At the same time the production of gold was falling far below the corresponding increase in business and population.

It became increasingly evident, therefore, to a considerable element in both parties, especially in the West, that business would improve only with the maintenance of a large volume of

money in circulation and that this could be accomplished only through the use of greenbacks. Since the old parties were not inclined to adopt the program of the extreme inflationists, a separate party, the Greenback party, came into existence (pp. 141, 144). In the presidential election of 1876 it placed a candidate in the field. Though he obtained only 81,737 votes, the party two years later cast more than a million ballots, sent fifteen members to the House of Representatives, and secured control of a number of states. Its theories, however, were so extreme that from that time its influence and voting strength gradually declined. In 1884 its candidate for president received only 173,370 votes.

During the seventies monetary questions became inextricably involved with an agitation for the free coinage of silver. Since the establishment of the government both gold and silver had been maintained as standard legal-tender coin, in a policy of bimetallism. By an act of Congress passed in 1792 the ratio between the two metals was fixed at 15 to 1, supposedly the commercial ratio. It soon developed, however, that silver was overvalued. Consequently no gold was offered for coinage. To meet this situation the ratio was changed to 15.98 to 1 in 1834; but this in turn overvalued gold and drove silver from circulation. When specie payments were suspended during the war, the large issue of legal-tender paper money drove both metals out of circulation until, with the return of normal conditions after 1865, gold coins began to reappear. So little silver was offered for coinage, however, that in an act of 1873 systematizing the coinage laws the silver dollar was dropped from the list of coins, an incident later referred to as the "crime of 1873."

Soon after this date a number of events occurred that lowered the commercial value of silver. For one thing, Germany adopted the gold standard and other European countries reduced the amount of their silver coinage, thus throwing a large supply of silver bullion on the market. At the same time the output of the silver mines in the United States increased rapidly. The annual production jumped from \$52,000 in 1855 to \$156,800 in 1860, to \$11,642,000 in 1865, to \$16,434,000 in 1870, to \$30,485,900 in 1875, to \$34,717,000 in 1880, and to \$57,242,100 in 1890. The



result was that the markets of the world were so glutted that the price was materially reduced. Indeed, by 1879, at the old ratio of coinage the silver dollar would have contained only about ninety cents' worth of silver. On the other hand, the mine operators, unable to sell their product to advantage, began a campaign to restore the unlimited coinage of silver at the old ratio. Hence before many months they allied themselves with those who desired the inflation of the currency. The movement gained strength steadily, winning first the support of the Greenbackers and later that of the majority of Westerners and Southerners irrespective of party affiliations.

In the fall of 1877 Richard P. Bland, a Democrat from Missouri, presented a bill calling for the free and unlimited coinage of silver dollars at the ratio of 16 to 1, making that dollar likewise a full legal tender for all dues and debts. Since the Democrats supported the bill as a party measure and the Western Republicans dared not oppose it, it passed the House by a vote of 164 to 34. When the bill reached the Senate it encountered much opposition from the Republicans, who controlled that body, though they hesitated to reject it outright. Finally, under the leadership of W. B. Allison of Iowa, the provision for the free and unlimited coinage of silver was changed to one requiring the Secretary of the Treasury to purchase for purposes of coinage not less than \$2,000,000 nor more than \$4,000,000 of silver bullion each month. The act further empowered the treasurer to issue silver certificates in denominations of not less than \$10 upon the deposit of silver dollars.<sup>1</sup> These, it was thought, could be more conveniently handled as a medium of exchange than the bulky coins. In this form the Bland-Allison Silver Act passed the Senate, 48 to 21, and received the approval of the House, although "Silver Dollar Dick" Bland announced his intention of continuing the battle for free silver. When the bill reached the President he returned it with an able veto message (February 28, 1878), in which he stated the arguments of the "sound money"

<sup>1</sup> Because of the unwillingness of the people to use silver dollars in ordinary business transactions, in 1886 the government gave up the effort to keep the coins in circulation and began the issuance of one-dollar, two-dollar, and five-dollar certificates.

men.<sup>1</sup> These were of no avail, however, for Congress overrode the veto on the very day it was read. In the final vote party lines were cast aside, and the East opposed and the West supported the measure.

During the twelve years of the operation of this bill 378,166,000 silver dollars were coined; but since the circulation of bank notes decreased nearly half that amount in those years, while at the same time the normal needs of business increased, the silver certificates were absorbed into the currency without disturbing the financial system or checking the downward trend of prices. In this respect the measure did not accomplish what its sponsors expected of it, and the government, acting on a provision of the bill which authorized the President to call an international conference for that purpose, was not successful in persuading the nations of Europe to agree to a plan of international bi-metallism.

#### RESUMPTION OF SPECIE PAYMENTS

Although Hayes's administration failed in its efforts to defeat the passage of the silver legislation of 1878, it did the country a great service through the reestablishment of specie payments the following year. It will be recalled that in 1875 the Republican Congress passed a resumption act which provided for the reduction of the legal-tender notes to \$300,000,000 and authorized the Secretary of the Treasury to build up a reserve of sufficient size to justify him in resuming specie payments on January 1, 1879. During 1877 and 1878 the Democratic House of Representatives made a number of attempts to repeal the bill. Though it did not succeed in this, it obtained the passage of the Bland-Allison Silver Act and of an act forbidding the further retirement of the greenbacks, the amount of which outstanding remained at \$346,681,016. Meanwhile the Secretary of the Treasury, John Sherman, by the sale of bonds for gold and by other means built up a reserve of \$140,000,000. He was favored in his plans by the decline in the price of gold, which in December, 1878, was at par for the first time since 1861. All

<sup>1</sup> Hayes believed that both metals should be used as currency, and he insisted that the silver dollar should contain a hundred cents' worth of silver.

this so tended to strengthen public confidence that on the day named in the act resumption was effected without the slightest disturbance to the business world. Grave doubts existed, however, in the minds of Sherman and the leading financiers of the country as to the ability of the government to maintain this reserve. During 1878 economic conditions in the United States had been exceedingly bad, but the following year witnessed one of the largest grain crops in the history of the nation. At the same time a late spring and an unusually poor crop in Europe created a ready market for the large American surplus.<sup>1</sup> As a result an adverse balance of trade was quickly transformed into a favorable one. The gold Sherman had assembled with such care remained in the United States, and the maintenance of the reserve was assured. The price of wheat rose to forty cents a bushel in six weeks. Moreover, the failure of the cotton crop in India brought about a consequent increase in the price of American cotton. Prosperity became general and continued throughout 1880 and 1881.

This favorable condition of the Treasury was owing in no small degree to John Sherman, a statesman and financier of the first magnitude. The Secretary of the Treasury had at all times the sympathy and support of President Hayes, who on more than one occasion thwarted the plans of the extreme inflationists in Congress.

### THE PRESIDENTIAL ELECTION OF 1880

The restoration of prosperity and the resumption of specie payments placed the Republicans in a stronger position before the country than they had occupied for a number of years. Not only had the government been placed on a firm financial basis, but more than \$200,000,000 of the national debt had been discharged and over \$1,000,000,000 of the remainder had been refunded at a lower rate of interest. President Hayes, however,

<sup>1</sup> The exportation of corn increased from 40,000,000 to 91,000,000 bushels from 1876 to 1880 and that of wheat from 70,000,000 to 150,000,000 bushels, nearly one third of the total American yield of each. Meanwhile the exportation of cotton increased from 4,000,000 bales in 1876 to 6,000,000 five years later. During the same period the amount of currency in circulation increased from an annual average of \$725,000,000 to \$1,114,000,000.

who had been a consistent advocate of a single term for the president, did not intimate any inclination to alter his position on the subject, which he had clearly stated in his speech of acceptance in 1876, when he declared that it was his "inflexible purpose, if elected, not to be a candidate for election to a second term." As a matter of fact, because of the personal hostility of the Stalwart element in the party, it is doubtful if the nomination could have been obtained for him even if he had desired it.

Moreover, since the chances of success for the party were good, there was no dearth of candidates. The senatorial "triumvirate," composed of the Stalwart leaders Conkling of New York, Donald Cameron of Pennsylvania, and Logan of Illinois, were first in the field with their advocacy of General Grant, who was then more than ever a popular hero. Soon after his retirement Grant began a two years' tour of the world, visiting all the leading countries in Europe and Asia. No American citizen had ever been received with such distinguished courtesies as Grant. His self-possession amid all this pomp, together with his sturdy maintenance of simple, democratic manners, made an indelible impression on everyone. Furthermore, his return to America came at a psychological time, since the preliminaries of the campaign were just opening. The enthusiastic welcome given him everywhere on his journey from San Francisco to New York led his friends to believe that they could obtain for him a reelection to the presidency. Grant, on his part, though refusing openly to commit himself on the question, let it be understood that if the party desired his services he would not decline to accept the nomination. His supporters maintained that since four years had elapsed since his presidency his reelection would not be a violation of the two-term principle established by Washington, and, furthermore, that he was the only man who could restore the party in the South, guarantee the fruits of the war, and enforce the war amendments to the Constitution. In a carefully planned campaign conventions were called early in 1880 in the large states of New York, Pennsylvania, and Illinois, in each of which the delegates were pledged to vote for Grant. Other states followed, but the tide was soon checked by the rising opposition.

Although there were a number of candidates in the field, Blaine was the most formidable. Sherman also had an influential following, and Senator G. F. Edmunds of Vermont was backed by the independents.

When the national convention assembled on June 2 it was soon found that Grant lacked a few votes of the number required for nomination. On the first ballot Grant received 304 votes; Blaine, 284; Sherman, 93; Edmunds, 34; E. B. Washburn, 30; and William Windom, 10. It was necessary to have 378 votes for a choice. Though for more than thirty ballots Grant's strength stood at 306 he could not break the opposition. On the thirty-fourth ballot a stampede was started toward Garfield, who had played a conspicuous part in all the deliberations of the convention. This, regardless of his protests, resulted in his nomination on the thirty-sixth ballot. The privilege of naming the vice-presidential candidate was extended to the disappointed Conkling, only to be refused. The convention thereupon gave to his friend and fellow New Yorker, Chester A. Arthur, the nomination, in spite of violent protests from the independent Republicans, who associated him with the spoils system and the worst features of American political practices.

The Democratic convention assembled at Cincinnati on June 22. Though Tilden might have had the presidential nomination regardless of the known hostility of Tammany and many of the conservative party leaders, he declined to permit his name to be considered, on the ground of ill health. Since he did not make this announcement till after the arrival of the delegates at Cincinnati, and since out of respect for him others had not previously pressed their claims, no candidate was able to build up a strong organization before the balloting began; consequently some twenty names were placed in nomination. On the third ballot, however, General Winfield S. Hancock of Pennsylvania received the necessary two-thirds majority. Hancock came from an illustrious Pennsylvania family and had served with marked distinction in the Mexican War and the Civil War. Though his experience in public service was limited, he was a man of high ideals and unimpeachable integrity. His dignified appearance won for him the title "Hancock the Superb."

The Greenback party, which in 1878 had effected a union with the Labor party, placed in nomination General J. B. Weaver of Iowa. Its platform demanded the substitution of legal-tender currency for bank notes, the unlimited coinage of silver, and the abolition of convict and child labor. The Prohibitionists named Neal Dow, the temperance leader in Maine, as their candidate for president.

The campaign soon developed into one of extreme bitterness. The Democrats made the most of the facts that Garfield, though an able and high-minded gentleman, had been involved in the *Crédit Mobilier* scandal and other moral obliquities and that his running mate was a spoilsman of the old school, as well as of other damaging circumstances. The Republicans on their part waved the "bloody shirt" and arraigned their opponents for their treatment of the Negroes in the South. Probably the most important argument in the campaigns (at least from the standpoint of the Republicans) was the general prosperity of the country, for which the Republicans attempted to assume responsibility. While this contention was stoutly denied by the Democrats, the former were successful in wringing from big business large contributions for the promotion of the campaign. This money, together with a 2 per cent levy on public officials, gave the Republicans an enormous fund. Furthermore, as the campaign progressed, the independents for the most part, though dissatisfied with the vice-presidential nominee, allied themselves with that party. When the election returns were in, it was found that Garfield had been elected with 214 electoral votes to 155 for Hancock. The thirty-eight states were evenly divided, and the Republican majority of the popular vote was less than ten thousand. The sectional alignment of states was significant. Garfield carried every state north of the old dividing line between slavery and freedom, with the exception of New Jersey. The "solid South," a heritage of the Civil War and reconstruction, supported Hancock. Though the Republicans regained superiority in the House, which the Democrats had controlled since 1874, their majority was small — 150 Republicans, 131 Democrats, and 12 Greenbackers. In the Senate the balance of power was held by two independents.

## CHAPTER IX

### THE DOWNFALL OF THE STALWARTS

#### JAMES A. GARFIELD

James A. Garfield, the twentieth president of the United States, was of English Puritan and French Huguenot extraction. His parents migrated from New England to Orange, Ohio, in 1830, where James was born the following year. When he was a mere child his father died, leaving his mother and three small children in straitened financial circumstances. After spending his early life in the country and as a mule boy on the towpath of the Ohio Canal between Cleveland and Marietta, Garfield attended Hiram College in Ohio, and from there went to Williams College in Massachusetts, where he graduated in 1856. After receiving his degree he taught for a time in Hiram College and then became its president. In addition he was a preacher in the Church of the Disciples; and later he entered the legal profession, although he had little preparation for the law and practiced it only incidentally. In 1859 he was elected to the state senate as a staunch Republican. At the outbreak of the Civil War he volunteered his services and was intrusted with a small independent command made up for the most part of his former students. So rapid was his advance in rank that as early as 1862 he became chief of staff in Rosecrans's Army of the Cumberland and the following year a major general. In that year, however, he resigned his command to take a seat in the national House of Representatives. After serving there continuously until 1880 he was elected to the Senate of the United States. Though he was never happy in the army because he developed a prejudice against West Point men and a distaste for red tape, he left the service at the request of President Lincoln, who thought his abilities were needed in Congress. As a member of the House Garfield played a conspicuous part in all its deliberations.

His experience, however, had been almost entirely in the field of legislative rather than executive duties. He was an incessant reader, a careful student, and one of the most effective public speakers and debaters of his day. Although he brought to the presidency superior gifts of intellect and knowledge of public affairs, many of the contemporary leaders questioned his strength of will and moral purpose. John Sherman, who knew him intimately, said "His will power was not equal to his personal magnetism" and that he easily "changed his mind, and honestly veered from one opinion to another." Hayes expressed the belief that Garfield was not "original, not firm, nor a moral force" and that "his course at various times when trouble came betrayed weakness."<sup>1</sup> Indeed, these very characteristics were strikingly evident during the presidential campaign of 1880 and the first few weeks of his presidency. Not only was he indefinite in his public utterances on all the leading issues of the day, but he appeared to have formulated no policy for his administration. Nevertheless he had a host of friends who loved and followed him because of his attractive personality, his brilliant intellect, his great knowledge of public questions, and his ability as a debater and parliamentarian.

#### THE FIGHT FOR THE SPOILS; BLAINE VERSUS CONKLING

Between his election and his inauguration, four months later, the new president was busily engaged with the selection of his cabinet. For Secretary of State he chose James G. Blaine, the gifted congressional leader and his close personal friend. The relationship between the two men is indicated by the correspondence that passed between them during this period. In his letter of acceptance Blaine said, "However much I admire you as a statesman I would not enter your Cabinet if I did not believe in you as a man and love you as a friend"; and on the day of his induction into office Garfield wrote: "Dear Blaine, Come to me

<sup>1</sup> Though Garfield's name was connected with the *Crédit Mobilier*, a paving scandal in the District of Columbia, and other questionable political deals of the time, the extent of his moral turpitude is questioned. Theodore Clarke Smith, in his brilliant life of Garfield, holds him blameless



at the White House the first moment I am free. With the love of comradeship of eighteen years and with faith in the next four, I am as ever yours." In the determination of the personnel of the new government Blaine appears to have had considerable influence. He successfully opposed the reappointment of John Sherman as Secretary of the Treasury, regardless of the urgent appeals from the reform element in the party and the business interests of the country. In fact, Blaine so disliked the administration of Hayes, with which Sherman was associated, that for more than three years he had refused to enter the White House. At the same time that he defeated the reappointment of Sherman he endeavored also to checkmate the influence of Senator Roscoe Conkling of New York, to whom Garfield had written late in January with regard to a conference in order that he might "consult" Conkling "on several subjects relating to the next administration — and especially in reference to New York interests." After two conversations Conkling appears to have been left with the impression that his wishes would be respected in making the New York appointments. He therefore received somewhat of a shock when he found that the Treasuryship, which he had sought for a New Yorker, had been given to William Windom of Minnesota.<sup>1</sup> On March 21, when Conkling again called at the White House concerning the New York patronage, the President said that he was not ready to consider the question, but that he reaffirmed their previous understanding. Within forty-eight hours, however, the most important political post in New York, that of Collector of Customs, was given to William H. Robertson, a strong Blaine man and an uncompromising political enemy of Conkling. Inasmuch as the incumbent, appointed by Hayes, had two years of his term to serve and was a man of recognized integrity and efficiency, his removal could be considered in no other than a political light, in direct conflict with Garfield's inaugural statement in regard to the fixity of tenure in the civil service. Conkling was furious,

<sup>1</sup> The other cabinet appointments were Secretary of War, R. T. Lincoln of Illinois; Attorney-General, Wayne MacVeagh of Pennsylvania; Postmaster-General, T. L. James of Illinois; Secretary of the Navy, W. H. Hunt of Louisiana; and Secretary of the Interior, S. J. Kirkwood of Iowa.

as were other Stalwart leaders, who saw in this act a forecast of what they might expect in their own states. Grant declared, "Garfield has shown that he is not possessed of the backbone of an angleworm." To a committee of Republicans who were attempting to bring about a reconciliation Conkling thundered, "I declare to you, his friends, he will bite the dust."

Blaine's part in the affair was evident to everyone. He and Conkling had long been open enemies and distrusted each other's motives in all public matters. Though rumors had come to Blaine of the determination of Conkling to dominate Garfield's administration, Blaine, in a number of communications to the president elect stressed the necessity of doing "just the right thing with Conkling." Nevertheless the hasty appointment of Robertson must be attributed to Blaine's influence and his desire to build up a Garfield-Blaine machine in New York. Conkling and his friends felt that this and other appointments were deliberate attempts to humiliate him. At the same time Garfield could not be made to see in the opposition anything but an effort dictatorially to infringe on his constitutional prerogatives in the choice of his own counselors, and all Blaine men agreed with him. Partly to appease the wrath of Conkling, however, the Stalwart, Levi P. Morton of New York, received the post of minister to France. T. L. James of the same state had previously been made Postmaster-General.

The almost unprecedented pressure of office-seekers disturbed Garfield greatly. Regardless of the fact that there was no change of the party in power and of the President's announcement that he would make no removals except for cause, he was hounded day and night both before and after his inauguration. People pestered him "whenever he ventured from the shelter of his official residence, and followed him even to the door of the church in which he worshipped." In spite of his good intentions Garfield in four months made nearly four hundred removals, mostly for partisan reasons, a number in excess of those made by Hayes during the entire first year of his administration. Nevertheless Garfield disliked the business. On one occasion he remarked to Blaine: "I have been dealing all these years with ideas and here I am dealing only with persons. I have been

heretofore treating of the fundamental principles of government and here I am considering all day whether A or B shall be appointed to this or that office." At another time he exclaimed, "My God! what is there in this place that a man should ever want to get into it?"

Meanwhile the attempt to organize the Senate, which had convened in executive session on the day of the inauguration, resulted in a deadlock that had not been broken at the end of two months. A truce was at length arranged to allow the confirmation of the President's nominations. To circumvent the alleged plans of Conkling to force an adjournment as soon as his own friends had been approved, Garfield withheld the names of all the New York appointments except the name of Robertson. Defeated by this ruse Conkling petulantly resigned his senatorship and was followed by his fellow senator, T. C. Platt. These two then carried the struggle to the legislature of New York, which was in session. They asked this body for reelection as a vindication of their position in the fight with the President. Vice President Arthur journeyed to Albany to lend his assistance to his friends. But after fifty-six ballots had been cast Warner Miller and E. G. Lapham were elected to fill the vacancies. The imperious and vain Conkling was so chagrined by this unexpected fall from power that he never reappeared in national politics. Platt, however, after a few years made peace with Blaine and became a dominant character in both state and national party affairs.

### THE STAR-ROUTE FRAUDS

Before the Blaine-Conkling feud had reached its climax public attention was directed to the exposure of corruption in the Post Office Department. T. L. James, the new Postmaster-General, who during Hayes's administration had established the merit system in the New York Post Office, began an investigation of the persistent rumors of graft in the awarding of contracts to carry the mail over the "star routes"; namely, those on which the mails were carried by private contract in certain parts of the thinly settled West. He discovered that the Second Assistant Postmaster-General, Thomas J. Brady, a hold-over

from Grant's administration, had conspired with Senator S. W. Dorsey of Arkansas and certain contractors to increase the number of routes and the compensation on many of those already existing and to divide the profits among themselves. The success of their efforts was indicated by the fact that in 1880 the two thousand routes covered 215,480 miles as compared with 79,991 miles covered by the railroads, while the cost exceeded 38 per cent of that for the entire mail service. Brady, together with a number of machine politicians in the Republican party, asked the President to stop the investigation. When he refused they attempted to discredit him by the publication of a letter he had written during the campaign to "My dear Hubbell," chairman of the Republican congressional campaign committee, in which he approved the levying of a 2 per cent contribution for campaign purposes on the salaries of government employees. As this was one of the worst abuses of the spoils system, the exposure tended to discredit Garfield's utterances for the reform of the civil service. In the trial of the conspirators every form of political pressure was brought to bear to prevent the conviction of the leading conspirators, the evidence of whose guilt was overwhelming. Eventually all except one small offender escaped punishment, much to the disgust of the public. This incident, however, together with the fight for governmental patronage, displayed the worst features of the American political system and impressed on the minds of the mass of the people the need for drastic reforms in the civil service.

#### THE ASSASSINATION OF PRESIDENT GARFIELD

While Vice President Arthur was in Albany assisting his friend Conkling in his fight for reelection (referred to above), President Garfield was assassinated under circumstances that pointed directly to the spoils system as the cause. The tragedy occurred on July 2, 1881, in the railway station in Washington, where, accompanied by Blaine, the President had gone to take a train for Williamstown, Massachusetts, to visit his alma mater. The assassin, Charles J. Guiteau, a disappointed office-seeker, said, after firing the fatal shot: "I am a Stalwart. Arthur is now

President of the United States.”<sup>1</sup> Later he added that he had been brooding over the question for some time and had reached the conclusion that the murder of Garfield would not only make possible the reunion of the Republican party but result in positive good for the nation as well. Beyond a doubt his mind, probably already diseased, was inflamed by the bitterness of the party strife, with the worst features of which he came into contact through his association with the party managers. He was convicted for his crime regardless of the plea of insanity made in his behalf. The wounded president lingered during the summer between life and death and died on September 19, 1881. Throughout the intense suffering of the hot summer weeks he conducted himself with such gentleness and fortitude that even his enemies forgot their bitterness and joined in the nation-wide prayers for his recovery. Garfield’s death, together with the memory of the assassination of the beloved Lincoln, led the American people to realize the fact that, whatever their delusions on the subject, democratic government was not free from the dangers of violence.

#### CHESTER A. ARTHUR

On September 20, the day after the death of Garfield, Chester A. Arthur took the oath of office as President of the United States in his New York home, a ceremony which was repeated in Washington a few days later. The new president was born in Vermont in 1830. After graduating from Union College in 1848 he taught school for some years. He then entered the legal profession in New York City, where he won special notice through his advocacy of the rights of the Negroes of that city. At the outbreak of the Civil War he joined the army and rendered notable service. After his return to New York he became energetic in local politics, and in 1871 was appointed to the position of Collector of the Port of New York, from which he was removed in 1878 by President Hayes. The circumstances that brought about his nomination as vice president in 1880,

<sup>1</sup> Guiteau had been a preacher, an editor, a reformer, and a politician. Since Garfield’s inauguration he had been persistent in his quest for office.

and his active participation during his short vice presidency in New York politics in behalf of his Stalwart colleague, Roscoe Conkling (p. 178), caused grave apprehension in the minds of those citizens who were interested in honesty and efficiency in the management of the government. The prevalent opinion of him may be summarized in the expression of a contemporary at the time of his nomination: "Chet Arthur, President of the United States! Good God!" That astute political observer, John Sherman, wrote at the time: "The nomination of Arthur is a ridiculous burlesque. . . . It attaches to the ticket all the odium of machine politics and will greatly endanger the success of Garfield. I cannot but wonder how a convention, even in the heat and hurry of the closing scenes, could make such a blunder."

To the surprise of both his friends and his enemies, however, responsibility brought out the new president's best qualities. These proved to be by no means lacking — merely latent. He was a large, handsome man, polished, gentlemanly, and scrupulous in his attire. Although he had been associated with ward politics he was familiar with the best forms of New York club life. He possessed a dignity that made him a central figure in any gathering. These characteristics, together with a fund of common sense and worldly wisdom, enabled him to give the country an administration noted for ability, elevation of tone, and freedom from rank partisanship. At all times he was circumspect and considerate, yet independent in the formation of his judgment. Indeed, he displayed a surprising reversal of form, changing front quickly and rising admirably to meet the requirements of his office. In his brief inaugural he promised to carry out the "measures devised and suggested" by his "lamented predecessor," to "correct abuses, to enforce economy, to advance prosperity, and to promote the general welfare." His messages to Congress, all exceptionally well written, contained recommendations for legislation of a wholesome and constructive nature. Among these were the repeal of the Bland-Allison Silver Act, the reduction of the internal revenue, the revision of the tariff, honest administration of the pension system, the enlargement of the navy, the establishment of postal savings banks, and, most important of all, the reform of the civil service.

Though the old cabinet was retained for a time, all except Robert T. Lincoln, Secretary of War, were replaced in the end. The portfolio of State was surrendered by Blaine in December, 1881, to Frederick T. Frelinghuysen of New Jersey; that of the Treasury went first to Charles J. Folger, then to Walter Q. Gresham, and in 1884 to Hugh McCulloch, who had administered the same office most acceptably from 1865 to 1869. In his other appointments Arthur displayed a degree of independence rather unusual among public men. Indeed, from the time of taking the oath of office he was guided only by his desire to serve the welfare of all the people of the country, even at the sacrifice of major party considerations.

### THE ISTHMIAN CANAL

During his ten months in office Blaine succeeded in impressing his vigorous character on the conduct of the foreign affairs of his country. Particularly was this true in the relations with Latin America, in which he had a special interest and in which some acute problems had arisen involving not only the Monroe Doctrine but international affairs in general. Of immediate significance was the marked change in the attitude of the government and the people of the United States toward the construction of an American interoceanic canal by other than American companies or governments. Though scarcely a decade of the century had passed without adding something to the story of the project of an isthmian canal, no material progress was made before the eighties.<sup>1</sup>

Not only the interest of the United States but its early policy as well may be gleaned from certain treaties bearing on the

<sup>1</sup> As early as 1827 the noted German Goethe expressed the opinion that "the westward tendency of this young nation [the United States] will in the course of thirty or forty years have established it beyond the Rockies. New trading centers will spring up in the safe and roomy harbors on the Pacific coast for developing commercial relations with China and the East Indies. In that event it will not only be desirable but also necessary that both merchant vessels and men of war should have a quicker connection between the Atlantic and the Pacific than is possible by a voyage around Cape Horn. I therefore repeat that it is absolutely necessary for the United States to build the interoceanic canal and I am sure that it will do so."

question negotiated about the middle of the century. In 1846 New Granada (now Colombia) granted to American capital the right to construct a railroad across the Isthmus, and the United States guaranteed the sovereignty of New Granada over her soil as well as the perfect neutrality of the Isthmus, with the idea that the free transit from one sea to the other should not be interrupted. New Granada on her part extended to the United States the right to protect the property of the proposed railway corporation, a provision under which troops were landed several times during the third quarter of the century. Three years later President Taylor announced a treaty with Nicaragua whereby the two contracting powers would protect jointly any private company operating a canal along the Nicaraguan route, and invited all nations to enter into similar stipulations by treaty with Nicaragua. He said that the benefit "to be derived from such an arrangement will be the protection of this great interoceanic communication against any power which might seek to obstruct it or to monopolize its advantages." It would thus acquire a world guaranty and control which would work toward the establishment of a bond of peace among the nations of the earth. The following year the Clayton-Bulwer treaty with England was negotiated in the same spirit. In addition to pledging the two governments not to colonize or to extend their dominions over the Central American region, it stipulated a joint guaranty of neutrality for any interoceanic canal that might be constructed. The international character of any proposed canal was guaranteed further by the statement that in the event of war between Great Britain and the United States both powers should have free use of the waterway.

The next three decades, however, saw a complete change in the popular as well as the official attitude of the United States toward the whole question. Not only did the raids of the Confederate cruisers during the Civil War demonstrate the desirability of having a quick means of communication by water between the Pacific and Atlantic coasts of the country, but the growing military and economic power of the nation so quickened the national consciousness of the people that it engendered in them a determination not only to dominate any canal which



might be constructed but also to exercise a greater influence in the life of the Latin-American nations than ever before. In 1867 a treaty was negotiated with Nicaragua by which the United States guaranteed the neutrality of any canal that might be constructed through that country and obtained important concessions looking toward such an undertaking. The opening of the Suez Canal in 1869 and the interest manifested during the next few years by its chief engineer, De Lesseps, in the promotion of a similar project at Panama caused this sentiment to grow steadily. Nevertheless French engineers with capital obtained in France, after conducting extensive surveys in Central America, concluded an agreement with Colombia in 1878 giving them the exclusive right to construct a canal and accompanying railroad from ocean to ocean across the Isthmus of Panama. Provisions were made for the neutralization of the canal, for a grant of land to the company, and for the payment to Colombia of 5 per cent of the gross tolls collected. The concession specified that the United States, if she desired, might share all advantages. The following year the French government granted the company a charter.

These developments, which were soon followed by actual work on the canal, caused both alarm and indignation in the United States. Though the French government disclaimed any intention of exercising any political control over the undertaking, the personnel and capital of the corporation were largely French, and any legal question involved in the future operation of the canal would necessarily be tried by French courts. Furthermore, the memory of the connection of the French government with the enterprise of Maximilian in Mexico made it easy for Americans to see how French political hegemony might be installed under the guise of protecting French interests. Meanwhile a number of rival American companies were busily engaged making surveys and interceding with Congress for assistance. To allay the growing hostility to his undertaking De Lesseps came to America and appeared before a committee of Congress. He was partly successful in his mission; for a strong party in Congress thenceforth opposed intervention, and the Secretary of the Navy resigned his office to accept the chairmanship of the American

branch of the company, an action which caused much criticism and open charges of corruption. On March 8, 1880, President Hayes, in response to a request from the Senate for copies of all diplomatic correspondence in connection with the isthmian canal, stated the official attitude of the administration toward the question. "The policy of this country," he said, "is a canal under American control. The United States cannot consent to the surrender of this control to any European powers. . . . No European power can intervene for such protection without adopting measures on this continent which the United States would deem wholly inadmissible." An interoceanic canal, he continued, "would be the great ocean thoroughfare between our Atlantic and our Pacific shores, and virtually a part of the coast-line of the United States. No other great power would, under similar circumstances, fail to assert a rightful control over a work so closely and vitally affecting its interest and its welfare." Secretary of State Evarts, in one of the papers submitted to the Senate, made the significant statement that the United States had a "paramount interest" in any canal constructed across the Isthmus and would exercise a potential control over it. A drastic revision or the complete abrogation of the Clayton-Bulwer agreement, he declared, had become a necessity as well as the obtaining at once of a clear declaration on the part of the French government that the undertaking of De Lesseps was a purely private affair and that France disclaimed all intention whatsoever of intervening. Later this assurance was readily given by the French cabinet.

Blaine, however, was not satisfied with this. Therefore, on June 24, 1881, he sent a communication to the American ministers in Europe asking them to inform the governments to which they were accredited that "the local and general interest of the United States of America" in any isthmian canal "should be considered before those of any other power save those of Colombia alone." He then asserted in the strongest terms that the United States had the right to exercise a dominating control over any isthmian canal and that any attempt on the part of European countries to substitute for this a joint guaranty would be regarded in America with the greatest concern.

Since these declarations were not in harmony with the Clayton-Bulwer treaty with England, Blaine made an attempt to secure the modification of that agreement so as to permit not only the construction of a canal but also its fortification; but the English government refused to agree to such an alteration of the treaty. Blaine's successor, Frelinghuysen, in continuing the negotiations shifted the point of emphasis of the government to the Monroe Doctrine and to England's alleged violation of the treaty through her seizure of the Mosquito Coast. Again England refused to accede to either the revision or the abrogation of the treaty. To put the question to a test Frelinghuysen negotiated an agreement with Nicaragua in 1884 for the construction of a canal under the complete control of the United States. In 1885, however, Cleveland withdrew the document from the Senate, where it was awaiting ratification.

Meanwhile, though work was progressing on the French canal, the company was known to be in such serious financial difficulties that grave doubts existed as to its ability to complete the project. The worst forebodings came true in 1889, when the company failed and left some eight hundred thousand French stockholders with little or no prospect of any return whatever.<sup>1</sup> Financial scandals and gross mismanagement were subsequently disclosed. In America these developments were observed with the keenest interest. One immediate result was the removal of the danger of a canal owned and dominated by a foreign nation. Consequently the negotiations for a canal were not pushed with the usual vigor until after the Spanish-American War, when new problems arose to emphasize the national importance of the question. Public sentiment in the United States, however, had become crystallized in favor of a canal owned and operated exclusively by American capital or by the government.<sup>2</sup>

<sup>1</sup> The total expenditures of the company exceeded \$260,000,000.

<sup>2</sup> In 1889 the Marine Canal Company of Nicaragua was incorporated by Congress; but it was unable to finance the project alone, and the government withheld assistance. Meanwhile, though a number of bills came before Congress calling for the abrogation of the Clayton-Bulwer treaty, favorable action could not be obtained.

## BLAINE'S LATIN-AMERICAN POLICY

Coincident with the development of the American isthmian policy was an attempt to increase the prestige of the United States throughout Latin America. Upon his assumption of the Secretaryship of State in the spring of 1881 Blaine found a war in progress between Bolivia and Peru on the one side and Chile on the other over the ownership of nitrate beds and guano deposits located in territory claimed by the three countries. Though Chile was completely victorious her enemies would not agree to the harsh terms which she sought to impose on them; consequently the war continued. Moreover, the American ministers to Peru and Chile, both appointees of Blaine, officiously espoused the cause of the respective countries to which they were accredited, and this activity resulted in an undignified quarrel between the two ministers. To relieve this muddle the Secretary of State sent William H. Trescott as special envoy to the three countries. He labored diligently but vainly to induce Chile to modify her peace terms. Neither Blaine nor the President had any desire to dictate to these South American countries, but they wished to offer the good offices of the United States in effecting a permanent peace, a policy which Frelinghuysen, in succeeding Blaine, continued. When the terms of peace were accepted by the warring nations during the winter of 1883-1884, Chile acquired the province of Tarapaca with its valuable nitrate guano beds and the temporary ownership and management of the provinces of Tacna and Arica pending the holding of a plebiscite. Since for nearly half a century the rival powers were unable to reach an agreement concerning the holding of this plebiscite, the question remained one of the most vexing of all those that disturbed the peace of Latin America.<sup>1</sup>

<sup>1</sup> Meanwhile the United States brought constant pressure to bear on the powers to compose their differences. It was not until May, 1929, however, that the difficulty was finally adjusted. By the terms of this agreement the province of Arica, with its seaport, was ceded to Chile, and Tacna went to Peru. Chile was to grant Peru a free port in the Bay of Arica and to pay her \$6,000,000. One unfortunate feature of the arrangement was the disregarding of the demands of Bolivia for an outlet to the sea, inasmuch as since the Chilean victory she had been a landlocked nation.

While the settlement of the Chile-Bolivia-Peru controversy was pending, Blaine, on November 29, 1881, issued "an earnest invitation" to all the North and South American countries to assemble in Washington on November 24 of the following year "for the purpose of considering and discussing the methods of preventing war between the nations of America." Before the date of the meeting, however, Frelinghuysen had replaced Blaine. Feeling that such an assemblage might be interpreted as a discrimination against other nations with whom the United States was at peace, the new secretary withdrew the invitation.

Throughout his term of office Blaine's desire to establish the United States as the arbiter in the numerous disputes characteristic of the South American people led him to intervene as mediator in other instances. Although disclaiming any thought of dictation or compulsion, he asserted that "the position of the United States as the leading power of the New World might well give to its government a claim to authoritative utterance for the purpose of quieting discord among its neighbors, with all of whom the most friendly political relations exist."

### ANTI-POLYGAMY LEGISLATION

While the administrations of Garfield and Arthur were developing their Latin-American policies the first Congress from which Blaine had been absent in twenty years assembled in December, 1881. So uncertain was the political situation, however, owing to the equal strength of the two parties in the Senate, that little legislation of a constructive character was enacted. Congress, in order to give popular favor to the party in control of the administration, devoted much time to the consideration of such matters as the prevention of polygamy among the Mormons in the West, the question of the exclusion of the Chinese from the United States, and "pork barrel" legislation.

The Mormons, or adherents of the Church of Jesus Christ of Latter-Day Saints, whose migration to the territory of Utah in 1847 was described in Volume I, had succeeded in developing in Utah a thriving community of more than a hundred thousand people with strong contingents in the neighboring states

and territories. The practice of polygamy by certain of its members had always aroused hostility and had elicited the passage by Congress in 1862 of an act forbidding, under heavy penalty, the practice of bigamy in the territories. Because of the difficulties attending its enforcement, however, this legislation had accomplished little. To remedy the defects of the act of 1862, Congress passed the Edmunds law in 1882, which deprived those practicing polygamy of citizenship and created machinery for the supervision of elections. This legislation, together with the rapid increase of the "gentile" population of the territory, resulted in a complete reversal of Utah's attitude toward plural marriages. The new constitution adopted by the territory expressly prohibited polygamy and prescribed penalties for the practice. Furthermore, in 1890 the president of the church declared that inasmuch as laws had been enacted by Congress forbidding plural marriages, he personally intended to submit to them and to use all his influence with the members of his church to persuade them to follow his example. The general conference of the denomination in October of that year speedily indorsed this position. As a result of these measures the public, which had been slow to be convinced of the sincerity of the Mormons, gradually changed its attitude, and early in 1893 President Harrison issued a proclamation granting amnesty to all persons liable to punishment under the anti-polygamy legislation. Three years later Utah entered the Union as the forty-fifth state, with a constitution which contained the clause "Polygamy, or plural marriages, are forever prohibited."

#### THE CHINESE EXCLUSION ACT OF 1882

Another problem which had assumed national importance was settled during Arthur's administration by the passage of laws prohibiting the migration of Chinese to the United States. Previous to this time the only legislation dealing with the immigration question was an act passed in 1819 which required simply a statement of the number of passengers brought on each ship. Furthermore (except possibly during the brief period of the fifties when the Native American movement was at its height)

both the national and the state governments actually encouraged immigration, and many of the latter maintained regularly paid agents abroad. As a result the foreign population of the country usually numbered from 12 to 15 per cent of the total without causing any serious problems.

With the coming of the Chinese, however, whose Oriental civilization and peculiar characteristics were fundamentally different from those of the Caucasians, a totally new set of conditions was created. The Chinese population, beginning with less than 1000 in 1850, increased rapidly to 71,000 in 1870, to 105,000 in 1880, and to 132,000 in 1882, of whom approximately five sixths were located in California, and the remainder, except a few hundred, in Oregon and Washington. At first these newcomers, the majority of whom were brought in by the operators of great mines and railroads as contract laborers, were welcomed by all classes. Indeed, the Burlingame treaty, negotiated in 1868 (pp. 89 ff.), recognized, among other things, the "inherent and inalienable right of man to change his home and allegiance, and also the mutual advantage of the free migration and emigration of their citizens and subjects respectively from the one country to the other . . . as permanent residents." He informed his hosts that homes for at least a million men in the American West were eagerly awaiting Chinese, and he strongly advised them to avail themselves of the opportunity thus placed at their disposal.

Meanwhile a pronounced sentiment against the Chinese was developing in every community where they entered into competition with white laborers. This feeling became acute after 1876, when the financial depression which had affected the East reached the Pacific coast. As thousands of unemployed men roamed from place to place looking for employment, the hardy Chinese, who belonged to no labor organizations and observed no set rules concerning hours and conditions of work, and whose standards of living were much below those of the Americans, could outbid the natives in the labor markets. Moreover, it was found that the individual Chinaman had no desire to discard his civilization and his political connections with his home country for those of the United States. The consequent hostility soon expressed itself

in riots, in which great numbers of Chinese were maltreated and many actually killed.

Under the leadership of Dennis Kearney, a shrewd agitator and politician of San Francisco, the laborers organized in a movement for the exclusion of all Chinese from the country, and before the end of the seventies their forces were sufficient to cause both political parties to espouse their cause. The result was the enactment of a mass of legislation by the states and the municipalities of California, Oregon, and Washington taxing heavily each Chinese laborer and imposing such rigid restrictions on his economic life that it was thought he could not continue to subsist in the country. Most of this legislation, however, was declared unconstitutional. Thereupon an appeal was made to Congress, which responded in 1879 with the passage of a general Chinese exclusion act. This measure Hayes felt constrained to veto because some of its provisions were in direct conflict with the Burlingame treaty. After Hayes had secured a modification of the treaty, however, Congress in 1882 again passed a Chinese exclusion act, but it in turn was vetoed by President Arthur, who believed that its provisions were unjustifiably drastic. A few weeks later his suggestions were embodied in a new bill, which passed Congress and received the presidential signature. This measure suspended for a period of ten years the migration to the United States of Chinese coolies, including "both skilled and unskilled laborers and Chinese employed in mining," and made all Chinese immigrants ineligible for citizenship. Later enactments remedied certain defects in the administration of the law and extended permanently the time of its duration.<sup>1</sup>

Judged in the light of future developments the Chinese Exclusion Act was a measure of great political sagacity. Not only did it check the migration of a horde of Chinese to the United States, since the numbers in the country were actually reduced to sixty-one thousand in 1920, but it saved the Pacific coast to

<sup>1</sup> In 1882 Congress specifically excluded convicts, lunatics, idiots, and paupers from admission to the United States from other lands, and three years later it passed a stringent contract-labor law making it unlawful for any person or company to assist or to encourage the immigration into the country of any alien under contract or agreement previously made. These laws not only provided a heavy penalty for violation but made mandatory the return to their native land of those so entering.



the Caucasian race. The two civilizations could not have existed side by side, and the overcrowded condition of China would have sent literally millions to the United States. At the same time the low standard of living of the Chinese immigrants, with whom the Americans would have been forced to compete, would have prevented an extensive movement of population either from the eastern portion of the United States or from Europe into that region.

#### THE PROBLEM OF THE SURPLUS

The existence of a surplus in the Treasury, though seemingly desirable, created a number of complicated problems for the Federal government during the late seventies and the eighties. From a deficit of nearly \$1,000,000 in 1874, funds in the Treasury rose steadily to a surplus of \$68,000,000 in 1880, of \$100,000,000 in 1881, and of \$145,000,000 in 1882. In 1837 a similar situation was met by a distribution of the surplus among the states, with such disastrous consequences that this solution of the question was not seriously considered. The application of these funds to the payment of the national debt was urged by many, but even this presented many objections. For one thing, the bonded indebtedness existed in many different issues, redeemable at seventeen different times. To pay an issue off before the date of its redemption, it was necessary to go into the open market and buy the bonds at the high premium at which they were selling. Furthermore, the national banks, whose issues of notes were based upon government bonds, opposed such a policy, and the Greenbackers objected to the retirement of the legal-tender notes. To President Arthur the logical remedy for the over-prosperity of the Treasury seemed to be the lowering of the taxes. Congress, in a series of acts culminating in 1883, removed the internal-revenue tax on all articles except tobacco, spirits, and liquors; but the question of a reduction of the tariff, which will be discussed later, proved so troublesome that little change was made in it.

Since it was not wise from a business standpoint to withhold this large amount of money from circulation, many believed that the surplus could and should be eliminated by an increase in the government's expenditures. Many causes were at that

time beseeching Congress for financial assistance. The first of these to receive favorable attention was the matter of soldiers' pensions. By means of thousands of private pension bills passed by logrolling tactics, and a retroactive arrears-of-pensions law (1879), the annual expense for that purpose advanced from \$27,000,000 in 1878 to \$65,000,000 in 1885.

The temptation to extravagant expenditures found expression also in a succession of bills appropriating funds for governmental buildings throughout the country and for the improvement of rivers and harbors, all of which satisfied the cravings of congressmen anxious to have Federal money spent in their respective districts. In 1882 a rivers-and-harbors bill was passed applying \$18,743,875, a sum more than a third larger than that of any previous year, to nearly five hundred different projects for internal improvement, many of which were of no utility whatever. When the bill reached President Arthur, however, he returned it with his veto, although it included a number of worthy objects for which he had recommended the appropriation of funds. His reasons for this action were placed on the ground that the bill "contains appropriations for purposes not for the common defence or general welfare and which do not promote commerce among the States. These provisions, on the contrary," he continued, "are entirely for the benefit of the particular localities in which it is proposed to make the improvements. I regard such appropriations of the public money as beyond the powers given by the Constitution to Congress and the President." Regardless of the fact that his action was in harmony with the general policy of the government since its establishment and was overwhelmingly supported by public sentiment at this time, the bill became a law by a two-thirds vote of each House. Warned by the veto and by hostile public opinion, however, Congress materially reduced the annual appropriations for rivers and harbors during the next few years. Since the revenues from the tariff continued to pour into the Treasury with such rapidity that little impression was made on the surplus by the measures of Congress to reduce it, it remained a vexing problem for the two succeeding administrations to face.

## THE PENDLETON CIVIL SERVICE ACT OF 1883

One of the most important events of Arthur's administration was the passage in 1883 of the Civil Service Act, known as the Pendleton Act. In view of the long discussion of the question (pp. 99 f., 156 f.), accentuated, as it had been, by its association with Garfield's assassination, that topic received a prominent place in the deliberations of Congress in 1881 and 1882. Indeed, before that unfortunate incident the public mind had been prepared for positive action by Sumner, Jenckes, Curtis, Schurz, and, most of all, Hayes. The surprising thing about the whole procedure was the favorable attitude taken by President Arthur, who, as has been seen, had been a spoilsman in New York City. In his first message to Congress in December, 1881, he stated that "original appointments should be based upon ascertained fitness," and during the political campaign of the following summer he announced that no officeholder would be disciplined for refusing to contribute toward the Republican party fund and, furthermore, that in case the Civil Service Act, then pending in Congress, should pass he would give it his "unhesitating support."

The bill to which he referred was introduced by George H. Pendleton, a Democrat from Ohio, but its important provisions had been written by Dorman B. Eaton and other advocates of the reform of the civil service. When Congress assembled in December, 1882, the measure passed the Senate, and the following month it was approved by the House and signed by the President. This law authorized the president to appoint three civil-service commissioners, not more than two from the same party, who should classify all employees of the government into grades and formulate rules "for open competitive examinations for testing the fitness of applicants for public service now classified or to be classified hereunder." Examinations in keeping with the requirements were to be administered, which were to determine appointments without distinction of party and regardless of personal influence. Recommendations from congressmen and executive officers in behalf of applicants were forbidden, as was the practice of levying assessments.

Since, beyond the organization of the commission and the classification of the service, the law was not mandatory upon the president, its success and usefulness depended largely on the character of its administration. Fortunately the attitude of Arthur was friendly. He appointed as chairman of the commission Dorman B. Eaton, one of the leading civil-service advocates of the country, and associated with him men of recognized integrity and ability. Within a year 13,924 government employees, 12.5 per cent of the total number in the service, were placed under the competitive-examination system, and nearly 2000 other names were added to the list before the end of Arthur's term. Both the major political parties indorsed the civil-service-reform movement in 1884. Although its enforcement has been defective at times, its expediency has generally been granted and its efficiency has steadily improved. Each successive president after Arthur extended its scope so that by 1930 it embraced a total of more than 430,000, or nearly 80 per cent of the total number in the government service.<sup>1</sup> During the first forty-four years of its existence the commission gave examinations to more than 5,500,000 individuals, of whom 1,600,000 received appointments. Since approximately 1500 different kinds of work are done in governmental establishments, the task of preparing appropriate examinations for each has been difficult, but it has been accomplished with a surprising degree of success.

Although the main features of the Pendleton Act, which has been referred to frequently as the "Magna Charta of civil-service reform," have remained unchanged, the extension of the system of competitive examinations made necessary the passage of a number of supplementary measures, among which was the retirement law of 1920.<sup>2</sup> Regardless of the steady progress, how-

<sup>1</sup> Additions to the service were made as follows:

Cleveland . . .	11,757	McKinley . . .	3,261	Wilson . . . .	40,000
Harrison . . .	10,535	Roosevelt . . .	34,766	Harding . . . .	530
Cleveland . . .	44,024	Taft . . . . .	56,868	Coolidge . . . .	3,321

<sup>2</sup> An excellent system has been devised for making promotions on the basis of efficiency, and the scale of maximum salaries has been steadily advanced until in 1930 it included a large number of salaries ranging from \$6000 to \$7500 per year. The annual pay roll of Federal civil-service employees has now reached the stupendous sum of more than \$800,000,000.

ever, which the system has made in both Federal and local governments, every president since the passage of the Pendleton Act has been compelled to face with varying degrees of success the hungry party spoilsmen. Nevertheless the system is so permanently established today that comparatively little political pressure is brought to bear upon a president to modify or influence its operation.

### THE PRESIDENTIAL ELECTION OF 1884

Regardless of the fact that a number of popular measures had been enacted during Arthur's administration, the presidential year of 1884 opened inauspiciously for the Republican party. Financial troubles abroad, overproduction, and the practice of high financing at home brought about a rather severe depression in 1883 and 1884, which caused hundreds of large and seemingly reputable business concerns to go into bankruptcy.<sup>1</sup> Though the President was in no way accountable for these unfortunate conditions, the people, as usual, had a tendency to place the responsibility on him and his party. Indeed, dissatisfaction with the Republicans was expressed in the congressional and state elections of 1882, when the Democrats won many unexpected victories and, among other things, regained control of the House of Representatives. There were several reasons for this. For one thing, the influence of big business in determining the policies of the Republican party, together with its lavish use of money to obtain governmental concessions and protection of one kind

<sup>1</sup> Among the business failures of 1884 was that of Grant and Ward, one of the largest and most reputable concerns of New York City. In this business, in which the son of General Grant was associated with his father-in-law, the General had invested \$100,000. From his generous dividends and an annual payment of \$15,000 from a trust fund subscribed for him by New York financiers, he maintained himself in an expensive house in a fashionable quarter of the city, where he associated with men of wealth and social standing. When the financial disaster struck him, he lost his own capital investment plus \$150,000 which he had borrowed from W. K. Vanderbilt. He devoted the remainder of his life to persistent labor on his personal memoirs, a work which proved of real historical value and which brought his heirs a handsome income. These literary labors, continued until within four days of his death in the summer of 1885, were carried on in spite of intense and constant suffering.

or another, engendered in the average citizen a determination to destroy its power; for another, the conviction was growing that the tariff enriched a comparatively small percentage of the people at the expense of the toiling masses, and the unwillingness of Congress to revise it aroused hostility. Furthermore, the Republican party itself contained a large and influential disgruntled element who disapproved of professional politics and the corrupt practices which marked its conduct in office. Indeed, the dominant note of the period was reform. The tendency of big business to consolidate for the elimination of competition was condemned, and the government was urged to check it by appropriate legislation. A demand arose, particularly among the Greenbackers and labor organizations, for the governmental ownership and operation of the railway and telegraph lines. Woman's suffrage, prohibition, the direct election of United States senators, and the establishment of post-office savings banks were some of the other social and economic reforms that found enthusiastic adherents.

Thus factionalism among the Republicans, together with the unfavorable business situation of the country, placed the party in a serious dilemma on the eve of the presidential election. Though Arthur's administration had been admirable in almost every sense of the word, his previous association with machine politics and the coolness of the Stalwarts toward him made his reelection appear highly improbable. Nevertheless he had many ardent admirers who labored diligently for his nomination. Arthur himself desired the "honor greatly," but he refused to "make any personal effort to get it." His leading opponent was James G. Blaine, who for years had been the most prominent man in the party. As Speaker of the House, as United States senator, as Secretary of State under Garfield, and as one of the leading candidates for the Republican presidential nomination in 1876 and again in 1880, he had succeeded in building up a formidable organization of enthusiastic followers. In 1884, as in 1880, however, Blaine was not acceptable to the reform, or independent, element in the party, which wished to see Senator G. F. Edmunds nominated. When the convention assembled at Chicago (June 3) Blaine's candidate for temporary chairman was

set aside for ex-Senator John R. Lynch, a Negro of Mississippi; but it was soon evident that Blaine himself could be defeated only by a union of his opponents, a condition which did not seem possible. On the first ballot he received 334½ votes as opposed to 278 for Arthur and 93 for Edmunds, and on the fourth he obtained the necessary majority and was accorded the nomination.

The independents immediately divided. Though Theodore Roosevelt, H. C. Lodge, W. W. Phelps, G. F. Hoar, G. F. Edmunds, and others unwillingly accepted the candidate of the party, the radical reformers, who were immediately dubbed "Mugwumps," from an Algonquin word meaning "chief," refused flatly to support Blaine, whom they branded as a corrupt man and a spoilsman.

The nomination of Blaine by the Republicans presaged the selection of a reform candidate by the Democrats, for with the support of the "Mugwump bolters" he would be reasonably certain of victory. Such a man was available in the person of Grover Cleveland, governor of New York. Though Cleveland had had no experience in national affairs, he had risen rapidly from the position of a rather obscure lawyer to that of sheriff of Erie County, mayor of Buffalo, and governor of his state, positions in all of which he had clearly demonstrated his honesty, efficiency, and independence. In each instance he had coöperated with the reformers in the elimination of corrupt politicians and in the constructive reorganization of the government. His views concerning public honesty, however, while winning to his support the independents in New York, had estranged him from "Boss" Kelly and Tammany Hall. Nevertheless in the Democratic convention the opposition soon withered. He secured the nomination on the second ballot.

After holding a number of conferences the "Mugwump bolters," among whom were George William Curtis, Carl Schurz, James Freeman Clarke, Thomas Wentworth Higginson, and President Eliot of Harvard, announced their intention of supporting Cleveland, and most of them took an active part in the campaign. The National, or Greenback, party nominated Benjamin F. Butler of Massachusetts for president; and the two

factions of the Prohibition party, the American Prohibition National and the National Prohibition, named Samuel C. Pomeroy of Kansas and John P. St. John of Kansas respectively.

The platforms of the two major parties did not differ in any important respect except that the Democrats promised tariff reform. Consequently the canvass soon degenerated into one of personalities to an extent unprecedented in any previous campaign. Cleveland was accused of being a "notorious libertine and profligate," unfit for the presidency, and a regular patron of saloons and grogshops. When to these charges Cleveland, who was a bachelor, admitted publicly that his relations with women had not always been strictly platonic and that he drank with moderation, his deflections from the strict moral code were greatly magnified and published throughout the land. The Democrats retaliated in kind. Since they could find nothing to criticize in the private life of Blaine, they exploited his questionable public record. The situation was admirably summarized by one of the independent Republicans who suggested "that we should elect Mr. Cleveland to the public office which he is so admirably qualified to fill and remand Mr. Blaine to the private life which he is so eminently fitted to adorn." Disgraceful as was the campaign from the standpoint of courtesy and decency, it showed decided improvement in the matter of levying political assessments, since the provisions of the Civil Service Act in that respect were obeyed for the most part.

As the campaign progressed it became more and more evident that Blaine's success depended on the state of New York. Neither Conkling nor Edmunds was willing to speak publicly in his behalf, and the strength of the independents was surprisingly large. Furthermore, two events in New York worked to his disadvantage. Thomas A. Hendricks of Indiana, the Democratic vice-presidential candidate, was able to induce Tammany to support Cleveland, and some indiscretions of Blaine in New York lost him the votes of many Irish Catholics there as well as in other states. After Blaine's return from a Western speaking tour a large delegation of Protestant ministers gave him a reception in New York City. Their spokesman, the Reverend Samuel D. Burchard, in his introductory remarks, referred to



the Democratic party as one of "rum, Romanism, and rebellion." When Blaine rose to speak he made no reference to the statement; but the following day the newspapers characterized his silence on the occasion as an approval of the sentiment expressed in Burchard's utterance. Of course the Democrats made the most of this as good political material. As both Blaine and Cleveland had Catholic relatives, neither of them desired to introduce religion into the campaign. On the day of the meeting of the Protestant ministers Blaine attended also a "millionaires' dinner," after which he was reported to have gone into consultation with a number of financial magnates who were seeking special legislation or favors from the national government. This incident lost him many votes, especially among the antimonopolists. Of considerable influence in the final outcome of the campaign was the fact that there was a new generation of voters to whom the waving of the "bloody shirt" which characterized Blaine's political addresses made no special appeal. The count proved so close that these seemingly small events, which were probably responsible for the loss of New York to the Republicans, determined the election. Cleveland carried the state by 1149 votes and had an electoral majority of 219 to 182. The Democratic plurality was only 23,000. The minor candidates polled less than 300,000 votes. The Republicans retained control of the Senate but lost the House of Representatives to the Democrats.

## CHAPTER X

### THE RETURN OF THE DEMOCRATS TO POWER

#### GROVER CLEVELAND

Grover Cleveland, the first Democrat to occupy the Executive Mansion since the retirement of Buchanan in the spring of 1861, had in many respects the most remarkable career of any man in the political history of the United States. Indeed, his rapid rise to national eminence is almost without a parallel in the records of American statesmanship, notwithstanding the fact that the history of the country contains the names of a host of men who have risen from lowly circumstances to positions of public distinction. His antecedents are interesting and illuminating. From a sturdy New England colonial stock containing a mixture of English, French, and Irish elements the members of the family, in which were found Episcopal, Congregational, and Presbyterian ministers, were reared under the rigidity of the Puritans. Cleveland's father was a clergyman of the Presbyterian faith, serving churches in Virginia, New Jersey, and New York. Grover, one of nine children, was born in New Jersey in 1837, but four years later moved with his parents to New York State, where he spent the major portion of his life. The death in 1853 of his father, whose income had seldom exceeded \$600 a year, left the family in such straitened circumstances that the contemplated plans for Grover's education had to be abandoned. Immediate support was imperative not only for himself but for his family as well. After working in the New York Institute for the Blind for a time he journeyed to Buffalo, where he became a clerk in a law office, at the same time reading law himself. After four years of study he was admitted to the bar. Through the establishment of good connections in the legal profession and persistent and arduous labor he was soon able to build up a respectable though not a flourishing practice. Though he was always interested in politics

as an independent Democrat, he never entered it as a profession ; nevertheless his desire for good government led him to accept nominations and elections as district attorney and sheriff of his county. In 1881, at the age of forty-four, he became, with the support of the reform elements in both parties, mayor on the Democratic ticket of the strongly Republican city of Buffalo. Known only locally at this time, he was so independent and efficient in the management of that notoriously corrupt and machine-ridden city that he was carried first into the governorship of New York in 1882 and two years later into the presidency of the United States.

Cleveland was not a well-read man. His writings are formal, elaborate, and almost artificially literary, and deep culture was not the foundation of his thought and action. Nevertheless he possessed the faculty of being able to characterize succinctly men and events in a way that arrested attention. Abstract ideas and generalizations made no appeal to him, for he was intensely practical. He once said, "I cannot understand the meaning of a theory until I know how it happened." In all his public offices his administrations were vigorous, wholesome, and businesslike, and his actions in each instance were prompted by "sound judgment, bold initiative, splendid courage, and robust honesty." The standard by which he guided his official conduct was clearly stated in a letter to his brother at the time of his election to the governorship of New York in November, 1882. "I tell you, first of all others," he said, "the policy I intend to adopt, and that is to make the matter a business engagement between the people of the State and myself, in which the obligation on my side is to perform the duties assigned me with an eye single to the interests of my employers. I shall have no idea of re-election or any higher political preferment in my head, but be very thankful and happy if I can well serve one term as the people's Governor." To him public office was a public trust, and all the pressure of the combined force of the political leaders of his party could not induce him to regard it otherwise. Indeed, his official judgment was never perturbed by any question as to the effect on his personal fortunes.

As a political leader, however, Cleveland had many weaknesses.

Not only did he lack the charm of an endearing personality that would appeal to the masses, but he was downright brusque, tactless, and unimaginative. Too often he was intolerant of the opinions of others and had a tendency to mistrust their motives. The fact that coöperation with him was difficult limited the number of his constructive achievements and made him in the end a political outcast. Though he was genial and approachable at times with a few of his most intimate friends, he purposely maintained an attitude of reserve. Nevertheless his unimpeachable honesty and his sound judgment on practically every question of the day, together with the courage which he displayed in fighting for what he thought was right, have given him a place in history as one of the great presidents of the country.

At the time of his inauguration,<sup>1</sup> however, the greatest concern was manifested throughout the North as to how the first Democratic president since the war would organize his cabinet and shape his policies; but in spite of the diligence of the newspaper correspondents little or no information was obtained. Consequently speculations of every kind were rife. "The South is in the saddle," asserted Republican journals, and predicted that the result would be the payment of the two billions and more of Southern war claims and a loss of all that had been accomplished by the struggle for the preservation of the Union and the freedom of the Negro. Cleveland's inaugural address,<sup>2</sup> however, dispelled much of this anxiety, for he solemnly promised to give the country an efficient and honest administration in the interest of all

<sup>1</sup> In March, 1885, Cleveland was forty-eight years of age, five feet eleven inches tall, and weighed two hundred and forty pounds. Of his personal characteristics William Allen White in his "Masks in a Pageant" says: "His two or three fat chins receded from a strong jaw. A large and rather hard mouth was masked by a heavy brown mustache, and an immobile face — rarely but brilliantly lighted with a smile — screened the hidden purposes of a resolute spirit, which sometimes gleamed out from his pale gray-blue eyes; eyes that in anger took a greenish cast."

<sup>2</sup> Cleveland delivered his inaugural address to the largest number of people to whom he had ever spoken. Nevertheless he spoke without any visible signs of nervousness. Contrary to precedent, he discarded his notes and, taking the terrible chance of blundering in that high moment, delivered without hesitation or misstatement his eighteen-thousand-word address. Senator John J. Ingalls of Kansas, an experienced speaker and an orator of merit, witnessed this unusual scene with astonishment. To a bystander he said: "My God, what a man! What a gambler! Not since Ajax defied the Gods has the world witnessed such sheer audacity!"

the people. He asserted his beliefs in the reform of the civil service and in sound finance, and he proposed to deal fairly with labor, the Indians, and the Western farmers. His cabinet, though inexperienced, contained several able men. Thomas F. Bayard of Delaware, who had had a distinguished career of sixteen years in the Senate, was made Secretary of State and Daniel Manning of New York became the Secretary of the Treasury. Two posts, the Secretaryship of the Interior and the Attorney-Generalship, were given to Southerners — L. Q. C. Lamar of Mississippi and A. H. Garland of Arkansas respectively. Though Cleveland relied almost entirely on his own judgment in the selection of his cabinet, his desire to reconcile the various elements in his party as well as to select a truly national body of counselors was apparent. It is significant, however, that among them was not a single man with whom he had been on terms of personal intimacy. The intrusion of the "Confederate brigadiers" into other departments of the government was much commented upon. Of seventy appointments made in the diplomatic and consular services thirty-eight were from the North and thirty-two from the "solid South." It was, moreover, the naming of the so-called "Copperheads" E. J. Phelps and George H. Pendleton as ministers to England and Germany, respectively, that elicited the greatest criticism.

With the selection of his official family completed, Cleveland began a régime which was, according to his biographer, Robert McElroy, "simple enough to delight the heart of a Thomas Jefferson, honest enough to gladden the soul of a George Washington or an Abraham Lincoln, businesslike enough to give a thrill of pleasure to the genius of an Alexander Hamilton, but old-fashioned enough to be, to a generation educated by the modernism of Theodore Roosevelt, almost unbelievable." The new president had never visited the national Capitol before his inauguration, and so closely did he confine himself to the Executive Mansion after his arrival that he was rarely seen on the streets. To Cleveland the presidency was a public responsibility, to which he devoted himself diligently, working ordinarily till two or three in the morning. Since he had no stenographer, he wrote all his letters and public papers with his own hand. It is

interesting to learn that at that time there was but a single telephone in the White House, and that when the servants were busy it was not unusual for the President personally to answer telephone calls. He greatly disliked social functions, and though he entered into them with a little more relish after his marriage in June, 1886, they were always a burden to him.

### THE POLITICAL BREAD LINE

Probably no single question caused Cleveland so much anxiety and worry as that of the persistent demand of the spoilsmen of his party for patronage. Although his attitude toward the Pendleton Civil Service Act was well known, many Democrats did not expect him to adhere to it religiously after his induction into office. Furthermore, the Federal civil service contained some five thousand presidential appointees and at least seventy-five thousand minor positions, mostly packed with Republicans, to which that measure did not apply. Here, then, was ample provision for the reward of the faithful partisans who had waited patiently for twenty-four years for their share of the good things of the government. From the announcement of his election Cleveland was hounded day and night by the horde of patronage seekers and the congressional office brokers who interceded in their behalf. Cleveland's inherent independence and cautiousness, together with his lack of knowledge of public men and conditions in general, caused him to proceed slowly and carefully. Not only did he refuse to interfere with the nonpartisan character of the Civil Service Act, but he seemed inclined to make removals in the other branches of the service only when extreme partisanship or inefficiency demanded it. The results were the alienation of the Democratic leaders and a determined, although unsuccessful, attempt in Congress to bring about the repeal of the Pendleton Act. Vice President Hendricks was constrained to remark, "The Democratic party isn't in power. . . . Grover Cleveland is making a party of his own"; and the chairman of the Democratic National Committee declared that, so far as he knew, the President did not have a friend among Democrats except perhaps those whom he had appointed to office. Although

Cleveland's policy toward civil service was at first satisfactory to his Mugwump supporters and the reform element in his own party, his unwillingness to do all that they desired caused many of these to turn against him before the end of his administration. He was, however, a loyal Democrat, and when vacancies occurred he made partisan appointments when he could find satisfactory candidates. Yet he was not averse to appointing Republicans when in his judgment the public good demanded it, as when he named a Republican as the chief examiner of the Civil Service Commission. His desire to have Negroes appointed to fill vacancies created by Negroes was generally followed, but was severely criticized by the Southern Democrats in particular. As many of his heads of departments, by whom most official positions were filled, made a rather broad sweep of it, before the end of Cleveland's presidency practically all the important posts as well as approximately three fourths of the minor offices were held by Democrats. Nevertheless the efficiency of the civil-service legislation remained unimpaired; and before Cleveland's retirement nearly twelve thousand additional officials were placed on the classified list and were thus brought under the supervision of the Civil Service Commission.

When the first Congress under Cleveland's administration assembled in December, 1885, a protracted struggle arose between the Republican Senate and the President concerning the powers of the former over removals from office. Though the total number of names sent in by Cleveland for confirmation was only 643 for a period of ten months as compared with 680 by Garfield in seven weeks, the Senate had taken favorable action on only fifteen cases at the end of three months. Meanwhile a well-organized movement had developed to contest the right of the President to remove from office all those officials whose confirmation was vested in the Senate. The basis of the contention was found in the Tenure of Office Act, passed in 1867 during the bitter feud between Congress and President Johnson (pp. 53 f.). By this means the Republicans hoped to discredit Cleveland with the reformers by making him out to be a typical spoilsman and at the same time to retain in power the largest possible number of individual Republicans. As a test case the

Senate asked for all the papers bearing on a certain removal and the subsequent appointment. The latter part of the request was complied with, but the papers concerning the removal were withheld as being outside the jurisdiction of that body. Cleveland, who was a strong believer in the separation of powers in the government, defended his position ably and, after nearly two years of controversy, emerged the victor. In March, 1887, the Republican Senate by a substantial majority passed a bill, which the House readily approved, repealing the Tenure of Office Act. This repeal rendered explicit and unqualified the President's independent power to remove from office. The time-honored boundaries of executive authority were thus restored so that thenceforth the president was free to deal with his subordinates without senatorial suspension or control.

#### THE PRESIDENTIAL SUCCESSION ACT OF 1886

While Cleveland was engaged in the struggle with the Senate concerning the power of the executive over appointive officers, an act regulating the presidential succession was introduced in the Senate. In the absence of any provision in the Constitution for the succession beyond that of the vice president, Congress in 1792 enacted that the president pro tempore of the Senate and the Speaker of the House of Representatives should follow the vice president in order. This arrangement seemed to work satisfactorily until a situation arose in 1881 which caused the revival of nation-wide interest in the question. It will be recalled that the Senate, owing to a political deadlock, was unable to choose a temporary presiding officer at its session following the inauguration of Garfield and that the newly elected House would not convene until the following December. Meanwhile Garfield was assassinated and Arthur became president. Under the circumstances, in the event of the death of Arthur before the organization of either the Senate or the House both the presidency and the vice presidency would remain unfilled. This critical situation so aroused the country that the question was brought before Congress regularly until January, 1886, when a bill was finally passed stating that after the vice president



succession should take place in rotation in the Secretaries of State, Treasury, and War, the Attorney-General, the Postmaster-General, and the Secretaries of Navy and Interior. The following year the Electoral Count Act, which was designed to prevent the recurrence of an electoral crisis similar to that of 1876, passed Congress and received the signature of Cleveland. This measure provided that a single electoral return from a state could be rejected only by the concurrent action of both Houses of Congress, and that when two or more sets of returns were sent to Congress and the two Houses could not agree as to which should be counted, the electors whose appointment had been certified to by the executive of the state should be recognized and their votes counted.

#### BOUNTIES TO THE VETERANS OF THE CIVIL WAR

In the administration of Cleveland, as in that of his successor, the Federal Treasury was burdened with an enormous annual surplus, which invited prodigal schemes of expenditure and withdrew from circulation a large amount of capital which was sorely needed, particularly in the West. The Republicans, as a party, wished to prevent or to postpone the reduction of the tariff and such internal-revenue taxes as remained and to use the surplus for the promotion of a general economic policy of national development. Among the specific projects which they sponsored were the development of new routes of communication across the continent; the improvement, for purposes of navigation, of rivers and harbors; the encouragement of a merchant marine by governmental subsidies; and the expenditure of a great sum of money for coast defenses and the enlargement of the navy. Other proposals having the support of large elements in both parties included the refunding to the states of the direct taxes collected during and immediately after the war and the granting of substantial Federal aid for common-school education. No measure of a humanitarian character received such wide discussion during the eighties as this latter plan. While an appropriation made for this purpose would of

necessity apply to all the states, the real object of the project was to aid the Southern states (all of which were financially unable to undertake so great a task) in the education of colored children. Many maintained that this was a national obligation which ought not in equity to be left to the South to assume unaided. Furthermore, in the South, as elsewhere in the nation, an illiterate suffrage was a constant and serious political peril. Bills appropriating governmental funds for this undertaking came before Congress annually for a time. Eventually, however, the adoption of a system of voting Federal largesses for local purposes, together with a restoration of prosperity in the South and a revival of interest in states' rights, caused the practice to be abandoned.

Cleveland's opposition to every form of paternalism and his persistent pleas for a reduction of all excessive taxes caused the various proposals of the Republicans to meet with partial or complete defeat. He felt that a surplus in the Treasury encouraged extravagance, made necessary large tax levies, and withdrew capital from the channels of business; furthermore, that it was not a function of the government to support the people but rather the duty of the people to support the government.

Meanwhile the discussion of the question of the surplus caused a movement to develop among Civil War veterans for an extension of their pension system. Because of the number and influence of the old soldiers and public gratitude to them for their part in the preservation of the Union, politicians of both parties espoused their cause. By a series of measures pensions had been provided for all disabled soldiers and for dependent families of soldiers who had been killed or injured in service. Though the total sum paid for this purpose was approximately \$29,000,000 in 1879, Congress in that year enacted the Arrears of Pensions Act, which allowed every successful claimant to recover the amount to which he would have been entitled if the pension had been granted at the time the disability occurred. The payments thus became of such size as to stimulate pensionary agents and brokers to scour the country soliciting applica-

tions from soldiers or dependents who had even the least pretext for a claim to compensation from the government. By 1885 the number of pensioners under this act had increased to 345,125, the annual amount paid them exceeded \$65,000,000, while thousands of additional claims were awaiting adjustment. In spite of the diligence of the officials in charge of the Bureau of Pensions in the examination of individual applications, literally hundreds of awards were made through corruption or favoritism. Moreover, the practice developed of obtaining pensions for those rejected by the Bureau of Pensions by means of private bills introduced in Congress. When Cleveland assumed the presidency, however, he reorganized the Bureau of Pensions and began the examination of the private bills which came to him for his signature. To his consternation he discovered that many of the claims were fraudulent or unworthy of favorable consideration, and accordingly he returned them with his veto. During his four years in office he approved a much greater number than he rejected; and of the 233 bills that he disallowed only one was passed by Congress over his veto. Criticism of him because of his conduct with reference to these bills was augmented by his veto of the Dependent Pension Act, popularly known as the "Pauper Pension," passed by the Democratic House and the Republican Senate in 1887.

Although Cleveland's action was prompted by the highest of motives and was wholly justifiable in every individual instance, he was not in an ideal position to become the champion of the people against this insidious form of corruption, not only because he was a Democrat but because when he was assistant district attorney of Erie County, New York, during the war, he had hired a substitute to fight for him. It mattered not that in the presence of his widowed and poverty-stricken mother he and his two brothers had cast lots to see which of the three should remain at home to support the family and that Grover was thus elected to remain in civil life; he was popularly regarded as a slacker and an enemy of the veterans. His stand on the pension bills, however, was so unassailable that the better element among the old soldiers approved his conduct. As a matter of fact, he had established a unique record for vetoes. During the preceding

ninety-six years under the Constitution the entire number of vetoes had been only 132, whereas Cleveland sent in 301. In addition, he practically killed some 109 bills by inaction.<sup>1</sup>

### THE BATTLE-FLAG ORDER

While this matter was being worked out, Cleveland exposed himself unwittingly to attack from another angle. In a communication to the Secretary of War, dated April 30, 1887, Adjutant-General Drum, a Republican and a member of the Grand Army of the Republic, proposed "that it would be a graceful act to anticipate future requests" by returning the Confederate battle flags which had been captured during the war and had been stored in large boxes in the basement of the building of the War Department to the respective states whose regiments had borne them in array of battle. On May 26 Secretary Endicott replied, giving not only his own but the President's approval of the plan. The announcement of this contemplated action, however, aroused an unexpected wave of protest. Senator Sherman declared that it was a "recognition of a lost cause," and Governor Foraker of Ohio said, "No rebel flag will be surrendered while I am Governor." The Republican press in general was equally emphatic in its condemnation. Under these conditions Cleveland wisely rescinded the order. Indeed, not enough time had elapsed since

<sup>1</sup> The Republicans, in their platform in 1888, "in the presence of an overflowing treasury," demanded legislation to keep the old soldiers from dependence on public or private charity; and on their accession to power in March, 1889, they adopted a more liberal pensionary policy. The pension act which Cleveland vetoed became a law; and under the administration of "Corporal" Tanner, the Commissioner of Pensions, who remarked when he assumed office, "God help the surplus revenue!" the appropriations for pensions increased rapidly. In 1893 the amount stood at \$159,000,000, a figure around which it remained until 1912, when the Sherwood Act advanced it to \$180,000,000. This and later measures extended the pension system so that it ultimately included all who had served in either the army or the navy during the war regardless of the disabilities or the financial needs of the individual applicants. Under this generous policy more than \$7,000,000,000, a sum three times greater than the total cost of the war to the government, had been paid to Civil War veterans before 1930, and hundreds of millions of dollars will be added to these figures in future years. It has been estimated that though the last Civil War veteran will die in 1945 the last pension will be paid to a widow of a soldier in that war about 2004.

the war for the hatred engendered by that fratricidal struggle to have subsided sufficiently to permit such generous conduct. In 1905, however, a Republican Congress without a record vote passed a resolution, which received the hearty approval of President Roosevelt, for the return of the identical one hundred and ninety-five captured flags to the several states of the late Confederacy.

#### TARIFF LEGISLATION DURING THE EIGHTIES

In general it may be said that the chief characteristic of this administration as well as of the preceding one lay in the political groupings and party fluctuations that tied the hands of the government so as to make the passage of much-needed constructive legislation exceedingly difficult and in many instances impossible. Inasmuch as there had developed in neither of the great parties a clear-cut, harmonious attitude toward the new issues of the day, public discontent was reflected in abrupt changes of political opinion. The politicians were hesitant and overcautious, and a feeling of distrust regarding their character and capacity for service at Washington permeated the masses. This condition is well illustrated by the legislative discussions in Congress affecting the issues of silver coinage and the tariff; in fact, by the consideration of practically every question before the country.

On the subject of the tariff as on that of the currency the political parties were not yet definitely aligned, although Republicans in general were inclined to favor higher duties than the Democrats. Nevertheless the war-time tariff measures, which increased the average rates from about 19 to 47 per cent, were so hastily drawn and were obviously so unscientific that a large number in both parties, including many protectionists, became convinced that a revision downward was highly desirable. Regardless of their continued efforts, however, which, as has been seen, found expression in the Liberal Republican and other reform movements of the sixties and seventies, the lobbyists and the protectionists were sufficiently strong to prevent any material reduction of duties. To support their view they contended that the marvelous increase in the value of manufactures from

\$1,850,000,000 in 1860 to \$8,000,000,000 in 1880, in the production of steel rails (which carried a duty of \$28 a ton) from 30,000 tons in 1870 to 1,200,000 tons ten years later, and in the profit on a vast number of other specific articles was attributable to the protection afforded those industries by the tariff. Furthermore, they pointed out that the American laborer received three times the wages paid in France and Italy, twice those paid in England and Belgium, and one and one-half times those current in Scotland. For this too they held the tariff responsible. All these arguments, of course, were calculated to make a powerful appeal to the average American.

About 1880, however, the question of the tariff was brought before the people in a new way because of the accumulation of an annual surplus of more than a hundred million dollars and the consequent necessity for a reduction of revenues. In his first message to Congress in December, 1881, President Arthur said that the "people may justly demand some relief from the present onerous burden." Therefore in response to his suggestions, a Tariff Commission was appointed by Congress in 1882 to study the tariff schedules and to make recommendations to Congress. This commission, composed almost wholly of protectionists from civil life, made a thorough study of the question and advised an average reduction of from 20 to 25 per cent. In its report it stated: "A substantial reduction of tariff duties is demanded, not by a mere indiscriminate popular clamor, but by the best conservative opinion of the country. . . . Such a reduction of the existing tariff the Commission regards not only as due recognition of public sentiment and a measure of justice to consumers, but one conducive to the general industrial prosperity, and which, though it may be temporarily inconvenient, will be ultimately beneficial to the special interests affected by such reduction. . . . Excessive duties . . . are positively injurious to the interest which they are supposed to benefit. They encourage the investment of capital in manufacturing enterprises by rash and unskilled speculators, to be followed by disaster to the adventurers and their employés, and a plethora of commodities which derange the operations of skilled and prudent enterprise."

In spite of the sound economic principles enunciated in this report and of the recommendations of President Arthur, in which he pointed out the evil financial and political effects of "an overflowing treasury," Congress did little to remedy the situation. The Republicans, however, who were in control of the Senate and the House but whose plurality of 23 in the latter was to be replaced by a Democratic majority of 78 in the Congress beginning March 4, 1883, hurried through a bill which they hoped would correct some of the glaring inconsistencies and satisfy the popular demand for a revision of the tariff. This measure, known as the "mongrel bill of 1883," provided for an average reduction of duties of about 5 per cent, though on many articles it actually advanced the rates for purely sectional or personal reasons. Consequently the results were thoroughly unsatisfactory. The following year W. R. Morrison of Illinois, chairman of the Ways and Means Committee of the Democratic House, presented a bill for a "horizontal" reduction of 20 per cent, which would lower the revenues by about \$30,000,000 and carry into effect the program of the Tariff Commission; but a sufficient number of Democrats, under the leadership of S. J. Randall of Pennsylvania, voted with the Republicans to bring about the defeat of the bill. Though the question came up intermittently, its serious consideration was postponed until the next administration.

With the inauguration of Cleveland in March, 1885, the situation was not materially clarified. Not only did the Republicans retain control of the Senate, but the President was not in accord with the leaders of his own party on the three important issues of the currency, civil-service reform, and tariff duties. Indeed, at first Cleveland himself appeared to have had no well-defined policy on the tariff, for he wrote to Carl Schurz asking for advice. "I am ashamed to say it," he said, "but the truth is I know nothing about the tariff. . . . Will you tell me how to go about it to learn?" Schurz gave him a list of books on the subject, which Cleveland read with diligence. In time he became thoroughly convinced that the tariff should be radically reduced. In his first message to Congress he mentioned the subject rather casually, but a year later he characterized the excessive tariff

as a "ruthless extortion and a violation of the fundamental principles of a free government." Although Morrison and J. G. Carlisle renewed the fight in the House, they could not obtain favorable action.

On December 6, 1887, Cleveland again returned to the question, devoting his entire message to the subject of taxation and revenue. As the presidential election was pending, the party leaders strongly advised him to take no definite and advanced position on the issue of the tariff; but he could not be dissuaded. "I would stultify myself," he said, "if I failed to let the message go forward for any fear that it might affect my election." On another occasion he asked, "What is the use of being elected or reëlected, unless you stand for something?" Accordingly, in his message he gave a clear and careful analysis of the whole question. "Progress toward a wise conclusion will not be improved by dwelling upon the theories of protection and free trade," he declared. "This savors too much of bandying epithets. It is a condition which confronts us, not a theory." At once blessings and curses descended on him, and an attempt was made to brand him a radical free trader, although what he actually desired was a tariff for revenue with reasonable provisions for protection where needed. Nevertheless the message succeeded in making the question of the revenue paramount in American politics and brought about a definite party alignment. Cleveland's ideas were soon presented to the House in a tariff reform act which came to be known as the Mills Bill. This provided for a substantial revision of the rates and a consequent reduction of the revenue by about \$53,000,000.<sup>1</sup> It was so poorly drawn, however, and contained so many inconsistencies that it laid itself open to charges of both partisanship and sectionalism. Action by the Republican Senate was purposely delayed until after the presidential election in the fall of 1888, when the bill was so altered that it was unacceptable to the House. Further consideration of the question awaited the assembling of the Republican Congress in December, 1889, when the protectionists,

<sup>1</sup> An excellent collection of documents called "Tariff Strategy and Propaganda in the United States, 1887-1888," edited by A. T. Volwiler, was printed in the *American Historical Review* for October, 1930.



stimulated by their victory in the presidential election of the previous year, reopened the subject. Although the tariff issue had been before Congress almost continuously during the administrations of Arthur and Cleveland, little change had been made in the rates and practically nothing had been accomplished in the way of correcting the inequalities of the various schedules. In these discussions T. B. Reed of Maine and William McKinley of Ohio, men whose names figure largely in the history of the next decade, distinguished themselves as advocates of the protective system.

### THE INDUSTRIAL DISTURBANCES OF 1886

The period of Cleveland's administration was characterized also by a renewal of the strife between labor and capital which had assumed threatening proportions during the preceding decade. The crisis came in 1886, when the demands of the new and active labor organizations for higher wages and improved conditions of employment were rejected throughout the country by the operators of the mills, mines, factories, and railroads, who themselves at that very time were going through a serious financial depression that in many instances made substantial wage reductions seem necessary. The consequent epidemic of strikes, many of which were conducted by the Knights of Labor and all of which were associated in the public mind with that society, spread rapidly from one industry to another, until practically all were involved to a greater or less degree.

Because of the close relationship between the railroads and the economic life of the people the disturbances in that industry attracted nation-wide attention and at the same time reached their greatest magnitude. In the spring of 1886 a great strike occurred on the railroads of the Gould system centering in St. Louis. It began when the Texas and Pacific Railroad, one of the affiliated roads, which was then in the hands of receivers and which had reduced wages twice during the preceding two years, discharged a foreman for cause at Fort Worth, Texas. On the refusal of the road to reinstate the foreman, the leader of the Knights of Labor in that district, Martin Irons, or-

dered, without the permission of Powderly and the national officials of the society, a general strike on the whole six thousand miles of the Gould system. In St. Louis in particular, and at other railway centers to a less extent, open violence was resorted to and much property was destroyed. As non-union men were prevented from operating freight trains, traffic was interfered with; consequently public sentiment, which at first was overwhelmingly with the laborers, partly because of the unpopularity of Gould and of his inefficiency in the operation of the railroads, was shifted gradually to condemnation of the strike. In the end the militia in the states involved were called out and brought the strike to an abrupt and unsuccessful end.

Conspicuous among the objectives of labor in 1886 was the demand for an eight-hour day to be inaugurated on May 1 of that year. When the employers would not assent, strikes followed throughout the country. In Chicago, where some sixty thousand men and women were involved, the management of the strike soon passed into the hands of a group of anarchists, who on a number of occasions made highly incendiary speeches. On May 3, in a conflict between the police and a gathering of laborers at the McCormick Reaper works, several civilians were wounded. The following day a great gathering was held at Haymarket Square to denounce the "atrocious attack of the police . . . on our fellow workmen," and a number of violent speeches were made by anarchists. When a troop of one hundred and eighty policemen attempted to disperse the meeting, shots were fired at them and a bomb was cast into their midst, killing seven and wounding sixty more. The original purpose of the strike was lost sight of, and the struggle degenerated into a contest between anarchists on the one hand and society on the other. Indeed, for some time certain papers in foreign languages, dominated by anarchists, had been preaching violence in the settlement of industrial disputes and the destruction of the existing order of society by rebellion and revolution. One newspaper, after describing in detail a plan for the manufacture of bombs, exclaimed "Dynamite! . . . Of all the good stuff this is the stuff." "A pound of this good stuff," it continued, "beats a bushel of ballots all hollow." Such utterances as these in the

radical press and in public addresses were translated into action in Haymarket Square. The public, which had not taken seriously the previous acts and works of the anarchists, became thoroughly alarmed and from every quarter of the land demanded drastic repressive action. The result was the arrest and conviction on circumstantial evidence of seven of the participants in the meeting. Four of these were hanged, one committed suicide in prison, and two were sentenced to life imprisonment.

### THE AMERICAN FEDERATION OF LABOR

With the passing of the industrial disturbances of 1886, the trend of public sentiment caused a decline of the Knights of Labor, with whom the violence in St. Louis, Chicago, and other cities was associated. Indeed, the rapid growth of the organization had encompassed its destruction; for the selfish and the lawless had rushed in with the prudent, and before long many of the local assemblies had fallen into the hands of violent elements, which prostrated the high ideals of the society, disregarded the wishes of the central offices, and, in time, brought the entire order into popular disfavor. The conservatives among the Knights of Labor seceded and affiliated themselves for the most part with the newly organized American Federation of Labor, which placed emphasis on trade autonomy rather than on labor in general. This society grew out of a meeting in 1881 of the Knights of Industry, an organization strong in the Middle West, and the Amalgamated Labor Union, an offshoot of the Knights of Labor, although it was not until 1886 that the permanent union was perfected under the name of the American Federation of Labor. The structure of the society was set forth in the preamble to its constitution: "We therefore declare ourselves in favor of the formation of a thorough federation, embracing every trade and labor organization in America under the Trade Union System or organization." The fundamental principles were based on trade homogeneity. Each individual trade looked after its own particular affairs, while the Federation interested itself in those matters which affected all laboring men as a class. On the whole the central organization was

democratic in operation, depending generally upon the sanctions of the referendum and of the annual conventions. Under the guidance of Samuel Gompers, one of the ablest labor leaders whom America had produced and the president of the Federation for more than a third of a century, its conduct was managed with exceptional skill, energy, and adroitness. At first the membership of the order advanced slowly, but in time it came to embrace more than a hundred national unions, representing virtually every element of American industry except the four railway brotherhoods. By January, 1931, the total membership numbered approximately 3,461,000. Outside the American Federation of Labor there were organizations with an estimated membership of 600,000, of which some 410,000 were credited to the railway brotherhoods. Although apparently large, the total membership of labor orders of this sort represented a comparatively small percentage of the wage-earners.

#### LABOR LEGISLATION BEFORE 1900

Coincident with the growth in numbers of labor organizations and in the multiplicity of their activities went also the passage of a large volume of legislation by the state and national governments designed to safeguard and to further the interests of the individual laborer. In 1867 and 1868 eight-hour laws were passed by Connecticut, New York, Illinois, Wisconsin, Missouri, and California, and in the latter year Congress made the eight-hour day applicable to Federal employees. Although far behind Great Britain, where the Industrial Revolution preceded that in America, the United States made steady progress during the last three decades of the century in the enactment of factory legislation in spite of the prevalence of the principles of *laissez faire* and the hampering of extreme individualism. Since society in general assumed a sort of guardianship over the labor of women and children because the development of a virile, sturdy population depended on the maintenance of satisfactory living and laboring conditions, the wage-earning women and children were the first beneficiaries of legislation. After Massachusetts in 1874 had enacted a factory code establishing among other

things the ten-hour day in factories for children under eighteen and for women, most of the other manufacturing states followed with similar legislation during the eighties. The result was a decline of one third in the number of child workers by 1890; but with the subsequent growth of cotton manufacturing in the South, where legislation of this kind did not exist, the number again increased. Laws, however, which attempted to restrict the length of the workday of men in private industries, were invariably held to be unconstitutional on the ground that they interfered with the individual's freedom of contract. Yet where the employment was especially hazardous or injurious to health, the courts became more and more inclined to sustain legislation designed to improve these conditions. Consequently, in one state after another laws for the safeguarding of dangerous machinery, for improving sanitary arrangements in manufacturing and mining establishments, and for governmental inspection of conditions were placed on the statute books and were enforced with a reasonable degree of efficiency.

As has already been shown, the industrialization of the country was accompanied by the growth of a permanent laboring class, which in turn was followed by the organization of labor and the development of class consciousness. The "Great Upheaval" of 1885-1886, with its strikes, lockouts, and other disturbances, elicited from President Cleveland in the latter year a special message, in which he proposed the creation of a national commission to assist labor and capital in the adjustment of their controversies. Two years later Congress provided machinery for the arbitration of disputes between railway corporations and their employees. The use of this machinery was contingent on the voluntary consent of both parties, and any decision which might be reached became effective only after both parties had accepted it. This law was so indefinite and consequently of so little value in averting industrial disturbances that it was superseded in 1898 by the Erdman Act, which made the decision of the arbitrators binding after a controversy was once submitted to arbitration. Meanwhile some fifteen states had enacted laws for voluntary arbitration for those cases arising within their respective jurisdictions.

Though most of the present factory laws were enacted after 1900, an important beginning was made before that year in almost every type of legislation dealing with labor. The public was being slowly brought to understand the significance of the industrialization of the country and the inability of individual laborers to safeguard their own interests properly. The progress, slow though it was, came as a result of the ceaseless agitation of labor organizations. Especially effective was the work of the American Federation of Labor, which maintained lobbyists in Washington and in most of the state capitals. Furthermore, since labor held a balance of power in many sections of the country, it was able to force the opposing candidates for elective offices to bid against each other for the support of the labor vote. Likewise it had the power to defeat for reelection in many places those legislative and administrative officials who refused to heed its wishes.

#### THE POLITICAL ACTIVITIES OF LABOR BEFORE 1900

Although the American Federation of Labor, as well as organized labor in general, had consistently discountenanced the formation of a distinct labor party, choosing rather by the use of their votes to compel the great parties to adopt and further their policies, a number of labor parties were established, most of which exerted comparatively little influence and polled only a fraction of the total vote.<sup>1</sup> In 1892, however, the Socialist Labor party, an organization of a different type, contested the presidential election. Although German immigrants had introduced modern socialism into the United States about the middle of the century, their political activities for some years had been limited to state and local elections. In the late sixties Socialists began to appear in the industrial states, and in 1877 these various independent groups united in the Socialist Labor party; but it was not until 1892 that they placed a candidate for presi-

<sup>1</sup> The Labor Reform party, which was an outgrowth of the National Labor Union, was founded in 1872. In 1880 and 1884 the Greenback-Labor party placed candidates in the field. In 1884 the Antimonopoly party appeared as a national political organization, and four years later two new parties, the Union Labor party and the United Labor party, named candidates.

dent in the field. The Socialists held that the only solution of the existing economic maladjustments was a rather complete transformation of society and industry. They maintained that the evil in modern capitalistic civilization was to be found in the opportunity for individuals and corporations to amass enormous fortunes, with which went inevitably economic and political influence. To remedy this situation, they proposed to socialize all the great industries of the country, such as the transportation systems, and the important natural resources by owning and operating them collectively for the good of the public. Since the Socialist Labor party was dominated by a group of men unfamiliar with American life and institutions, it attracted only a few voters to its standard — 22,000 in 1892 and 36,000 in 1896. In 1900, however, a rival organization, the Socialist party, was formed under the leadership of Eugene V. Debs, a former member of the American Railway Union, who well understood labor conditions in America. A man of exceptional ability, he soon made himself and the party he represented a formidable influence in the country; in fact, as a presidential candidate in 1900, he polled 88,000 votes. As will be seen, though both parties continued their organizations, the new party quickly outstripped the former in numerical strength.

#### THE INTERSTATE COMMERCE ACT OF 1887

Probably the most notable legislative achievement of Cleveland's first administration was the passage of the Interstate Commerce Act of 1887. The problem of the regulation of the rates and the business practices of the railway corporations was not at all new. Indeed, for nearly a quarter of a century few questions, if any, had engaged the attention of the American public to a greater extent. In Chapter VII (pp. 137-141) the attempt of the grain-producing states of the old Northwest during the late sixties and the seventies to curb the growing power of the railroads, to remedy some of the objectionable features of their management, and particularly to obtain a reduction of freight and passenger charges has been described. As has been seen, because of adverse court decisions which limited

the power of the states to the regulation of the traffic between points wholly within the respective states, as well as by a return of prosperity, most of the so-called Granger laws were either nullified or so modified as to be of little real value. The agitation, however, continued, although the scene of its greatest activity was shifted from the state legislatures to Washington. Meanwhile the manufacturing centers, mainly in the East, where many business concerns had suffered because of unequitable discriminations, joined forces with the farmers of the West.

The grievances against the railroads covered a wide range. The low ethical standards governing their conduct in their relations with the public, together with their corrupting influence, which was too frequently exerted on legislatures and even on the courts, developed a genuine fear of their power. Furthermore, both the farmer and the merchant came to realize that while their success was dependent on the transportation lines, these same agencies possessed also the means of destroying them through rate and other discriminations. The system of granting free passes to those who had influence with the railroad officials, the payment of exorbitant salaries, the watering of the stock, on which dividends had to be paid through increased freight and passenger charges, and other forms of stockjobbing only intensified public anxiety and hostility. At the same time the main lines of transportation in their quest for business engaged in a rate-cutting struggle with each other between competing points. To make up for the losses thus incurred they often increased rates between noncompeting points regardless of the protests of the farmers and merchants affected. Even in the industrial cities the railroads bid against one another for the monopolization of the freight business of industrial plants, and in many instances at the behest of their large customers they entered into contracts which were manifestly designed to drive other establishments into bankruptcy. The most striking illustration of this practice is to be found in the relations between the Standard Oil Company and the Carnegie Steel Corporation (p. 248) on the one hand and certain railroads on the other. The latter, in exchange for concessions, not only granted special rates to the former but actually fixed the rates to be



assessed against their competitors, a portion of which was to be handed over by the railroads to the oil and steel companies. In time, however, the competition between the railroads became so savage that the roads entered into rate-fixing agreements. These arrangements, usually referred to as "pools," were made by railroads operating between competing points or in the same area and provided for the allotment of all business to different lines on a percentage basis and the division of the profits accordingly. Competition was thus completely eliminated. As a matter of fact, the old idea that competition is the life of trade, which had always held sway in America, never had been and never could be realized to any considerable degree in the transportation business. No two lines were so situated as to make possible actual competition except between certain points, since each road had a monopoly of other points, from which most of the business was derived.

As these practices of the railroads became known the demand for Federal regulation steadily gained strength, especially after the failure of the states to cope with the situation. The question came before Congress regularly after 1878, until in 1887 the Cullom Interstate Commerce Act was passed by Congress and signed by President Cleveland. This measure, in brief, provided that all rates should be just and reasonable; prohibited discriminations in the form of special rates, rebates, and the like; forbade discriminations between localities, classes of freight, and connecting lines; prohibited pooling and the levying of higher charges for short than for long hauls when the hauls in question were on the same road; and required railroads to print and post publicly all rates and fares. The administration of the law was placed in the hands of a commission of five members, who had powers of investigation and the right to compel the carriers to produce their books, testify, and keep their books according to a uniform accounting system, and to obtain from each road an annual statement of its operations and finances. Though penalties were fixed for each violation, the powers of the commission did not go beyond the collection of information and the prosecution of each individual case before the courts.

The Interstate Commerce Commission lasted essentially in

this form until Roosevelt's administration, when its powers were greatly increased. The opinion of Justice Harlan of the United States Supreme Court on the commission during its early years was not an overstatement when he said that it was "a useless body for all practical purposes." Indeed, as late as 1898 the commission itself declared that the attempt at Federal regulation of the railroads had failed. The law contained many ambiguities, and the commission lacked the necessary authority to make its decrees respected. At the same time the managers of the railroads would not admit that the fixing of rates was the concern of anyone but themselves. The railroad business, they stoutly maintained, was not essentially different from any other business, and for that reason legislation should not discriminate against it, an attitude which to a certain extent the courts were inclined to sustain. Consequently the railroads held no conscientious scruples about violating this legislation, and in actual practice they soon found ways of setting aside practically every provision of the act. Hence pools in the form of "gentlemen's agreements," the granting of rebates, passes, and so forth continued unabated. Nevertheless the commission was accomplishing much useful work. A uniform system of railroad accounting was established, and a mass of data was collected which became of inestimable value in later years when the rate-fixing power was conferred upon the commission. The task imposed on it was indeed a gigantic one; for at the time of the passage of the law the railroad mileage of the country stood at 133,000 and the number of tariff schedules filed during the first two years of the life of the commission exceeded 270,000.<sup>1</sup>

### THE PRESIDENTIAL ELECTION OF 1888

After the passage of the Interstate Commerce Act the leaders of the different political parties began preparations for the presidential campaign of the following year. The whole period of Cleveland's administration was marked by disaffection in the two major parties and a thorough disapproval of the existing

<sup>1</sup> Other phases of the work of the commission, together with its problems, will be discussed in detail in connection with the presidency of Theodore Roosevelt.

party leadership. This was particularly true among the agricultural and laboring classes, where political agitation had been widespread for nearly three decades. Early in 1887 a national convention composed of delegates from the Greenbackers, the Knights of Labor, the Grangers, the Farmers' Alliance, the Anti-monopolists, and a number of other minor agricultural groups tried to bring about a consolidation as the Union Labor party, but irreconcilable differences manifested themselves when it came to the adoption of a definite policy. The following year two rival conventions were held in Cincinnati — one designating itself the Union Labor party, the other the United Labor party. One adopted an elaborate program for governmental reform in both organization and form, and the other advocated the single tax. The idea of the single tax as a cure for the existing political and economic ills of the nation had been given wide publicity by Henry George, its sponsor and chief advocate, through his recent candidacy for mayor of New York City, when he polled a surprisingly large vote. His book *Progress and Poverty*, published in 1880, which attracted nation-wide attention, contained a brilliant exposition of the doctrine that as population grows more numerous the demand for land increases, resulting in an unearned gain to the landowner and a corresponding loss to other agents in production — the capitalist and the wage-earner. He felt that the remedy for this situation was the appropriation by society of the economic rent accruing from land through the levying of a discriminating tax, which alone would be sufficient to meet all the needs of both local and state governments. Hence the term "single tax." These two labor parties and the Prohibitionists placed presidential candidates in the field. Though these movements made no very considerable showing at the polls, they were significant as evidences of the popular unrest which, in the form of Populism, was destined virtually to capture the Democratic party's organization within the next decade.

There was much dissatisfaction with the administration of Cleveland in the Democratic party itself, particularly on the part of the extreme partisans, who objected to his recognition of civil-service reform and his independent attitude toward all public questions. At the same time many Western Democrats

were alienated by his opposition to silver, and Tammany Hall in his own state of New York was in open hostility. His tariff message of December, 1887, which he delivered against the advice of the leaders of the party and of his Mugwump supporters as well, antagonized the protectionist element in the party, led by Randall of Pennsylvania. These discordant elements, however, were unable to unite on any single candidate, although Governor D. B. Hill of New York, John G. Carlisle of Kentucky, and a number of men of lesser importance were boomed for nomination at different times. When at last the national convention assembled, opposition to Cleveland seemed to be so hopeless that it was abandoned, and he was nominated by acclamation. The platform adopted indorsed Cleveland's administration and the Mills tariff measure, which was then pending in Congress.

In the Republican party the situation was far more complicated. Not only was the attitude of Blaine, who might have obtained the nomination, uncertain, but a large number of men of national importance had entered the contest. Though Blaine had announced early in 1888 that he would not be a candidate, his loyal supporters hoped even up to the assembling of the national convention that he might be induced to reverse his decision. In fact, a considerable block of delegates were actually pledged to his support. In the pre-convention canvass John Sherman of Ohio, whose candidacy was managed by Mark Hanna, appeared to have the greatest following, although W. B. Allison of Iowa, Judge Walter Q. Gresham of Indiana, and Benjamin Harrison also of Indiana showed strength. On the first ballot Sherman led the field, but it soon developed that he could not obtain the necessary majority. On the receipt of a cablegram from Blaine recommending the selection of Harrison the convention followed his advice and on the eighth ballot gave Harrison the nomination. The platform emphasized especially the need for the continuance of the system of protection.

In contrast to the campaign of 1884, mud-slinging tactics were not resorted to and attention was concentrated on the tariff to the neglect of all other issues. Senator Quay of Pennsylvania, as chairman of the Republican National Committee,

levied heavy tribute on business concerns that would profit by the tariff, and the Democrats resorted to the somewhat discredited system of assessment of public officers. In no previous campaign had money been used so freely, often without due regard to ethical considerations.<sup>1</sup> Harrison, who made ninety-four speeches "without a slip," was surprisingly successful as a campaigner, even though he did not possess those personal characteristics which are usually associated with politicians. Cleveland, however, suffered considerable loss through the indiscretions of Lord Sackville-West, the British ambassador to Washington, who by a Republican ruse was led to approve the candidacy of Cleveland, an act for which Cleveland asked for his recall.

In the election Harrison received 233 electoral votes to 168 for Cleveland, although the latter had a plurality of more than 100,000. New York, which Harrison won by a slight majority because of the lukewarmness of Tammany Hall, was again the deciding factor. Of the minor parties the Prohibitionists polled a total of 249,506 votes, and the Union Labor party 146,935. As a result of the election the Republicans had a majority in the new Congress of 17 in the House and 10 in the Senate.

<sup>1</sup> Much money was supposed to have been used in the purchase of votes, particularly in the doubtful states of Indiana and New York. William W. Dudley, the treasurer of the Republican National Committee, sent the following instructions to the managers of the campaign in the former state, "Divide the floaters into blocks of five and put a trusted man with necessary funds in charge of these five, and make him responsible that none get away, and that all vote our ticket."

## CHAPTER XI

### REPUBLICAN ASCENDANCY AND THE EMERGENCE OF BIG BUSINESS, 1889-1891

#### BENJAMIN HARRISON

Benjamin Harrison was fifty-six years old at the time of his inauguration as president of the United States. As the grandson of President William Henry Harrison and the great-grandson of Governor Benjamin Harrison of Virginia, the Revolutionary patriot and a signer of the Declaration of Independence, he possessed a distinguished ancestry. Although born and educated in Ohio, he moved to Indianapolis in 1854 to practice law. His interest in politics began soon after his removal to Indiana. He took an active part in the formation of the Republican party and loyally supported its candidates for forty years. Indeed, he early established such an enviable record as a campaign orator that his services were frequently requisitioned by his party. In 1857 he became city attorney and three years later reporter for the supreme court of Indiana. His work in that capacity, however, was interrupted in 1862 by his entrance into the Union army, from which he was retired at the close of the Civil War as brevet brigadier general. Returning to his profession in Indianapolis, he soon established a reputation as one of the most brilliant men and successful lawyers in the state. As before the war, he continued his interest in politics. During the period of Reconstruction he supported in general the program of the radical Republicans with reference to the former states of the Confederacy, and he was an ardent advocate of the sound-money policy. In 1876 he was an unsuccessful candidate for governor. Five years later, however, he was elected to the Senate of the United States, a position which he held until 1887.

In spite of his intellectual gifts and his profound learning he was woefully deficient in the characteristics of a political leader ;

indeed, it has been said that in contrast to his contemporary, Blaine, who could refuse a man a request and at the same time make of him a devoted follower, Harrison in granting a favor inevitably made of the recipient a bitter enemy. He hated office-seekers and was not inclined either to ask or to accept advice. Though he frequently proved himself a sympathetic friend, he was unable to make an outward show of his feelings and, in truth, exerted little effort to overcome his natural restraint. The fact that few men, even his most intimate friends, ever addressed Harrison by his first name showed his aloofness. During his presidency he was frequently spoken of as the "White House iceberg." Yet his personal character and his integrity in the performance of every public act were unquestioned, since he did not let politics, friendships, or antagonisms enter into his decisions when a vital issue was at stake. Furthermore, he despised, above all things, what he termed "playing to the galleries." It must be admitted, however, that to his intellectuality and honesty of purpose he needed to add robust leadership and breadth of vision. Furthermore, his earnest desire not to encroach on the powers of the legislative branch of the government caused him to take comparatively little part in either the initiation or the adoption of any of the important measures that were enacted into law during his administration.

President Harrison's cabinet was composed so largely of men of purely local prominence that the announcement of their names elicited much criticism. Two of the offices, however, went to well-known political leaders. Blaine, the most eminent of the older statesmen, was given the Secretaryship of State, and William Windom, a former senator from Minnesota, Secretary of the Treasury under Garfield and later a New York lawyer and business man, was awarded the Treasury portfolio. For the most part, the appointment of Blaine, who had served in the cabinet during the brief presidency of Garfield and who, as has been seen, had been one of the most influential men of the country for a full quarter of a century, was well received not only as a recognition of his abilities but also as a just reward for the part he had taken in the nomination of Harrison. The friends of the President, however, viewed his selection with alarm

because they feared that his dominating personality would prove embarrassing, a foreboding which was realized before many weeks had elapsed.

Harrison, like his predecessor, was hounded day and night by an army of spoilsmen, but he was far less successful than Cleveland in resisting their persistent appeals. Regardless of the unqualified approval of the system of competitive examinations embodied in the Republican platform of 1888 and the statements of the President himself, many politicians brought pressure to bear to induce him to set aside or to disregard the Civil Service Act of 1883. As far as the classified service was concerned, however, he refused to interfere with the established system, and he made excellent appointments to the commission. Among these was Theodore Roosevelt, who, although not chairman of the commission, became its official spokesman. Against the wishes of many party leaders Roosevelt carried the issue of civil-service reform directly to the people and did active campaigning against men who were hostile to the system. Not only did Harrison sustain him in this attitude, but he extended the classified service considerably during the last two years of his administration. At the same time those positions outside the service were ruthlessly exploited by the patronage seekers. Within a year and a half 65 per cent of the 2600 officials then directly appointed by the President were changed; and through the instrumentality of that active spoilsman, J. S. Clarkson of Iowa, the First Assistant Postmaster-General, 60,000 fourth-class postmasters were removed during the same period. After the sweeping Democratic victories of 1890, however, Harrison became more vigilant in thwarting the purposes of his subordinates, many of whom were removed for objectionable partisanship.

### "CZAR" REED AND THE HOUSE RULES

When the Fifty-first Congress assembled in December, 1889, the Republicans were in control of the House of Representatives, the Senate, and the presidency for the first time since 1875, although their majorities in both Houses were small. Probably no other Congress in the history of the country contained more



men of eminence. Inasmuch as the older statesmen whose names had been associated with the Civil War and the Reconstruction period were being superseded by a group of younger men, who ceased to wave the "bloody shirt" and whose outlook was to the future rather than to the past, the year 1889 may be said to mark the beginning of an era. The first two years of Harrison's administration, however, which covered the period of transition, were characterized by violent partisanship. Never before had the sessions of Congress witnessed such boisterousness, vulgar wrangling, and recriminations, the intensity of which was increased because of the small difference in the strength of the two great parties in that body. The slight advantage of the Republicans was due in part to the admission of six new states into the Union, four in 1889 and two in the following year. This expansion had still further political significance in that it gave added strength to the advocates of free silver in the Senate, where legislation on the currency question was determined for several years.

The organization of the House of Representatives in 1889 was accompanied by a spirited contest for the speakership, in which Thomas B. Reed of Maine emerged the victor by a single vote over his chief rival, William McKinley of Ohio. The latter, however, was honored with the position of chairman of the Committee on Ways and Means, which carried with it leadership on the floor of the House. Reed, who served as Speaker for eight years and as minority leader for an equal period, is commonly considered the greatest Speaker the country has produced. Joseph G. Cannon once said that in Reed was "combined the greatest intellect with the greatest courage, the keenest appreciation of humor and the greatest command of sarcasm" that he had ever seen in any man. Indeed, his command of sarcasm and sardonic wit was unsurpassed by any of his contemporaries. With half a dozen well-chosen words he could annihilate an opponent or, what was worse, make him appear ridiculous. At the same time he was a man of strong intellect, a deep, philosophical thinker, and an incessant reader on a wide variety of subjects, who forgot little of what he read.

Soon after Reed's election as Speaker a parliamentary contest developed in the House which attracted nation-wide attention and which before its termination conferred on the victor the title "Czar." Since, unfortunately for the Republicans, the struggle began over some contested elections, the matter appeared in the light of strict partisanship. The question was much broader, however, for it involved the passage of a large amount of legislation. The Republicans' majority in the House was so small that the minority by merely resorting to obstructive tactics, such as the making of dilatory motions and refusing to answer to the roll call in order to prevent a quorum, were able to frustrate the plans of the majority and to hold in check their entire legislative program. These practices had been well established by precedent and had been freely resorted to by both parties. Nevertheless Reed resolved to see that the business of the majority was carried on. "Of what use was an election," he declared, "if, after all, nothing could be done without the sanction of the beaten party." The first contest arose when he refused to appoint tellers on a Democratic motion to adjourn, an act which would have been a serious breach of duty had the motion been made in good faith, but which in this instance the House sustained, since the motion was plainly dilatory. The main fight, however, came later, when the Democrats attempted to prevent a quorum by refusing to answer the roll call. Speaker Reed, who had given the question careful consideration, ordered the clerk to record the names of a number of Democrats as "present but not voting." Instantly there was an uproar of violent protests. To the charge that he was "upsetting the precedents of a hundred years," he replied, "Yes, and I am establishing precedents for the next hundred years." When a member denied the right of the Speaker to count him as present and proceeded to quote the rules of the House on the subject to sustain his contention, Reed, with the nasal drawl that was his habit, replied: "The Chair is making a statement of fact that the gentleman from Kentucky is present. Does he deny it?" The rejoinder was so self-evident that the House broke into laughter, and the Speaker carried his point. The House continued for

three days to be a bedlam, through which Reed bore himself with courage and composure. Eventually he had his way.

His decisions were crystallized in two rules adopted by the House: that actual attendance should determine a quorum, and that no dilatory motion should be entertained by the Speaker. These new rules were of fundamental importance. With the growth of the country, public business increased at such a rapid rate that it was necessary for legislation to respond promptly to public needs. The wrath of the Democrats knew no bounds, however, and for a time the "tyranny of Czar Reed" overshadowed all other subjects of public interest. Nevertheless the House, which, in the words of Reed, had become the "most unwieldy parliamentary body in the world," had been reorganized in the interest of efficiency and common sense, although the motives of the Republicans were partisan to a large degree. When the Democrats gained control of the House in 1891, they reestablished the old system. Thereupon Reed, then the minority leader, by means of the very obstructive tactics which he had abolished, made so much trouble for the Democrats that the House was forced to return to the "Reed rules," which have been retained since then.

### THE BILLION-DOLLAR CONGRESS

The adoption of these rules by the Fifty-first Congress cleared the way for legislative action. With a dispatch unusual for Congress, one after another of the Republican platform pledges was enacted into law. The condition of the Treasury, with an annual surplus of more than \$100,000,000, constituted a real problem, as it had during the previous decade, and at the same time it tempted the buoyant majority to a policy of extravagance. In compliance with the promise to the Grand Army of the Republic the Republicans passed the Dependent Pension Bill, which Cleveland had vetoed (pp. 208-211). This measure not only doubled the pension roll but increased the appropriations for pensions from \$89,000,000 in 1889 to \$159,000,000 four years later. Further inroads were made on the Treasury by the voting of the largest appropriation for rivers and harbors in the history

of the country up to that time and the setting aside of additional sums for the construction of public buildings.<sup>1</sup>

At the same time the rehabilitation of the navy, which had been begun nearly a decade before, went forward with unabated energy. The program of construction was increased each year. New ships were laid down so rapidly that by 1893 the navy had advanced from twelfth to fifth place among the fleets of the world, and authorization had been given for its continued enlargement. As early as Arthur's administration the country was aroused to the fact that its navy was composed of nothing but old wooden vessels which were rapidly decaying. The few ships that had iron hulls were small and were obsolete in both armor and speed. Indeed, there was not a single modern high-powered gun in the entire fleet. The disclosure of this deplorable condition resulted in the authorization by Congress in 1883 of four steel vessels, the first to be built of that material for the American navy. During Cleveland's administration this beginning was followed up energetically. In all, twenty-five war vessels of the different types were constructed, and the great naval ordnance plant at Washington was established. Among the notable features of the naval legislation under the administration of Harrison was the appropriation of funds for four first-class battleships which were to carry the heaviest armor and were to be second to no other war vessels in the world. In the course of the next decade the naval program went forward steadily, with the result that by 1897 more than forty ships of the newer type were in actual commission and five first-class battleships, nine gunboats, eighteen torpedo boats, and a submarine were either building or authorized. The work of enlarging and improving the seacoast fortifications also was begun

<sup>1</sup> In connection with the consideration of the public-buildings legislation the term "pork" was used for the first time. Then each bill of this kind was passed separately, either on its merits or according to the "pull" which an individual member had with other members. It so happened that on the last day of the session many of the special bills for local buildings remained unpassed. On a motion to adjourn, Tom Clunie of California, whose bill for San Francisco was next on the list, shouted, running down the aisle, "Don't adjourn! don't adjourn until I've got my piece of pork." Later the term "pork barrel" was applied regularly to the appropriation of funds for public buildings.

during this period, since, like the old wooden fleet, the coast defenses were made obsolete by the high-powered naval guns and required complete replacement.

In addition to these extraordinary expenditures, Harrison's administration maintained a generous attitude toward other causes. For the first time in the history of the country the appropriations of a single Congress exceeded the billion-dollar mark, and caused the Democrats savagely to revile the Republicans as authors of rank extravagance and inefficiency. Speaker Reed's famous retort that this "is a billion-dollar country" was amply justified by the returns of the census of 1890, which showed the tremendous economic development of the nation. As a matter of fact, when the Democrats came into control of the government in 1893 they increased rather than decreased these expenditures.

#### THE MCKINLEY TARIFF BILL

After organizing the House in 1889 and passing the Reed rules, the Republicans turned their attention to the tariff, the question on which the campaign of the preceding year had been waged. The recommendation of the President for "a revision of our tariff law both in its administrative features and in the schedules" was immediately referred to the Committee on Ways and Means in the House, of which William McKinley was chairman. Since his entrance to Congress in 1877, McKinley had studied the tariff diligently, so that by 1880 he had become one of the acknowledged leaders of the protectionists not only in that body but throughout the country as well. Hence the enactment of protective legislation could have been intrusted to no better hands. As a prelude to the tariff measure a law regarding the administration of customs was passed which erected new safeguards against undervaluations and attempted to lessen the amount of litigation by conferring on the board of appraisers the right to determine evaluations definitely.

Using the Senate bill of the previous session as a basis the Committee on Ways and Means prepared a tariff measure commonly designated as the McKinley Tariff Bill, the avowed purpose of which was to perfect a system of protection and at the

same time to reduce the revenue collected by pushing up many tariff rates toward the prohibitive point. In compliance with the recommendation of President Harrison that the protective principle be applied to the products of the farm as well as of the factories, increased duties were levied on barley, butter, eggs, pork, potatoes, etc. At the same time the free list was extended to include commodities which did not compete with domestic production. On other articles, such as the better grades of woolen cloth, dress goods, ready-made clothing, carpets, and linens, the rates were raised to a point where they were practically prohibitive. One interesting feature of the bill was the placing of sugar, which since 1884 had yielded an annual revenue of more than \$50,000,000, on the free list and the granting of protection to domestic sugar producers by means of a subsidy of two cents a pound, a policy which called for the annual payment by the government of about \$10,000,000.

Secretary of State Blaine, who during the consideration of the bill by Congress was the leading figure in the Pan-American Congress, then in session in Washington, was intensely interested in the promotion of closer trade relations with the nations of Central and South America. To further his plans he proposed the incorporation into the tariff measure of provisions for reciprocal trade arrangements; but the opposition to the proposal on the part of certain agricultural groups was so pronounced that the House rejected it outright. Blaine, however, carried his fight to the Senate, where he obtained the adoption of the principle of reciprocity, although in a modified form. The House then gave its consent. The bill as it then stood added several articles to the free list, which already included 87 per cent of the products of Latin America, and it authorized the President to impose discriminating duties in case reciprocity was withheld. As had been anticipated, the measure resulted in reductions of duties by a number of Latin-American countries as well as by France, Germany, Belgium, and Italy, though the disciplinary powers were applied only to Colombia, Venezuela, and Haiti.

In its final form the McKinley Bill encountered such strong opposition, particularly in the Senate, that it was only after

concessions had been made to the advocates of silver in the West and to the opponents of the proposed Federal election laws in the South, topics which will be discussed later, that a favorable vote could be obtained. Though a readjustment of rates was badly needed, since no scientific revision had been made in many years, the McKinley tariff was a disappointment. Not only did it fail to remove many of the obvious inconsistencies in existing duties, but, because of the influence of special interests, it created new difficulties. Furthermore, the increase of the average tariff rates by some 4 per cent was unnecessary as well as a serious economic blunder, the political effects of which appeared in connection with the congressional elections of 1890.

#### THE REVIVAL OF THE SOUTHERN PROBLEM

The final passage of the tariff bill was delayed for many days by the attempt of the Republicans to force through Congress legislation designed to make effective the Fourteenth and Fifteenth Amendments. Ever since the abandonment of the reconstruction policy in 1877, there had been a "solid South." Indeed, at no time during the period had the Republicans elected more than six congressmen from the former Confederate states; and these had come from the mountainous districts, where hostility to the old slave aristocracy had always been pronounced. The loss of Republican strength in the South had been brought about in a number of ways. In some localities means were used to intimidate the Negro voter in order to keep him from the polls, and in not a few instances violence and actual tinkering with the ballots were resorted to. At the same time the ignorance and inertia of thousands of Negroes prevented them from developing any considerable interest in either participation in elections or the conduct of the government.

Since the Republicans attributed the Democratic victory of 1884 to the fact that the wholesale disfranchisement of their Negro partisans in the South had secured their political rivals at least twenty-four seats in Congress and a corresponding number of votes in the Electoral College, they resolved to prevent a recurrence of these results. Accordingly when they came into

control of the government in March, 1889, they gave the subject major consideration. In more than a score of contested elections in Southern districts Negro candidates were declared elected, so that for the first time in more than a decade members of the colored race occupied seats in the House of Representatives. Of the two main proposals for the solution of the problem of Negro disfranchisement in the South — namely, the reduction of the representation of the South in the House of Representatives and the Electoral College in proportion as the Negroes were disfranchised, and the protection by appropriate legislation of the Negro in the exercise of his privilege to vote — the latter plan was finally approved as the more feasible. Consequently in 1890 a bill (commonly referred to as the "Force Bill"), providing for Federal supervision of elections, supported, in the last resort, by Federal arms, passed the House of Representatives and was debated for weeks in the Senate. Meanwhile, as the significance of this measure became known, a wave of indignation swept over the South. Everywhere the political leaders declared their intention of maintaining white supremacy regardless of the legislation. Nine Southern states threatened to abstain from participation in the World's Fair Exposition at Chicago, and a movement was organized for boycotting the products of the North in case the bill became a law. In the end the indifference on the part of the mass of the people in the North to the question of Negro disfranchisement caused many Republican politicians to withdraw from the fight. At the same time the Democrats formed an alliance with certain silver men in the West by which they proposed through filibustering tactics to hold up the passage of the McKinley tariff until the "Force Bill" was dropped and concessions were made to the silver interests. In time they were successful, and the question was withdrawn, never to be reconsidered seriously.

The threat of the passage of a Federal election law and the division of the white voters of the South by the growth of the Populist movement caused the Southern state governments to give the subject of Negro suffrage immediate attention. Since forcible disfranchisement had never appealed to the better element of the population, they earnestly sought some legal means



for accomplishing the same result. Beginning in 1890, one state after another enacted election laws which limited the exercise of suffrage regardless of race or color to those who paid taxes of a specified amount and kind, who could read and write, and who could interpret the Constitution, and, in a number of instances, to those whose ancestors had voted before the date of the enfranchisement of the Negro. These last measures, known as the "grandfather clauses," were eventually declared unconstitutional. But in the meantime disfranchisement had been made effective by other means. In all this legislation the local election officials were given such large discretionary powers that they could, without an apparent practice of discrimination against Negro citizens, interpret the suffrage requirements rigidly against the Negroes and leniently against the whites. Although few sessions of Congress have passed when Republican speeches were not delivered against the "rank injustice" of Negro disfranchisement and the responsibility of the "federal government to protect him in his Constitutional rights," the question is coming more and more to be considered as one which is peculiar to the South and with which the South is capable of dealing. Meanwhile a sufficient number of Negroes have been kept from the polls in one way or another in each of the Southern states to guarantee white supremacy.<sup>1</sup>

### THE SHERMAN SILVER ACT OF 1890

Though silver was not a major issue in the presidential campaign of 1888, it became so during the discussion of the tariff in 1890; and until the final adoption of the gold standard in 1900, it overshadowed in public interest all other domestic questions. Indeed, the Bland-Allison Silver Act had never been popular with any large group of people. The advocates of silver accepted it because it provided for the coinage of a greater amount of silver than had been permitted previously, but they fought steadfastly for the unlimited coinage of that metal at the ratio of 16 to 1. At the same time those who believed in a monometallic

<sup>1</sup> In the South as a whole some 50 or 60 per cent of Negroes are disfranchised; the number exceeds 90 per cent in the states of Mississippi and South Carolina.

system with gold as the basis labored with equal determination for the repeal of the Bland-Allison Act. Presidents Hayes, Arthur, and Cleveland all felt that the continued purchase of silver under the provisions of that measure not only was unnecessary to meet the financial needs of a circulating medium, but was an actual hindrance to sound economic development because of the depreciation of silver in value. At the time of Cleveland's inauguration less than a fourth of the two hundred and fifteen million silver dollars coined since 1878, which were worth less than eighty cents each, had passed into circulation, and gold was being hoarded on a large scale. Furthermore, the retirement of the national-bank notes through the reduction of the Federal debt, on which they were based, together with the accumulation of a large annual surplus, withdrew from circulation money that was sorely needed for ordinary business transactions. The warning of Cleveland as well as his recommendations for a discontinuance of coinage under the Bland-Allison Act merely angered the silver wing of the Democratic party. Accordingly, in response to the persistent demands of the agricultural West for more currency, a bill for the free coinage of silver was introduced in the House of Representatives in 1886 and was defeated by a majority of only 37, with both parties seriously split on the question. Since the people did not enjoy the use of the cumbersome, heavy silver dollars, Congress, to relieve this situation, authorized the substitution for the silver bullion deposited in the Treasury of silver certificates in denominations of one, two, and five dollars, whereas the lowest issue previously had been for ten dollars.

Meanwhile one of a number of factors that forced the silver question before the country for consideration was the steadily falling price of silver as compared with gold. In the attempt to make capital for the party out of Cleveland's pronounced opposition to silver coinage, the Republicans declared themselves in favor of the use of both gold and silver as money and condemned the "policy of the Democratic administration in its efforts to demonetize silver"; but in so doing they placed themselves in an embarrassing situation when they came into actual control of the government. At that time the appoint-

ment of William Windom, a Western silver advocate, to the post of Secretary of the Treasury seemed to indicate that Harrison's administration could be expected to be favorable to silver. Further impulse was given to the movement by the admission of a number of new Western states into the Union and by the meeting in 1889 of a silver convention in St. Louis. This assembly was composed of more than two hundred delegates from nearly thirty states and territories, and comprised in its membership some of the leading political figures in the nation. The conservative Republicans at once became thoroughly alarmed for fear a bill for the free coinage of silver would be forced through Congress. Such a bill actually passed the Senate and was defeated in the House only by the stubborn resistance of Speaker Reed. This did not settle the question, however. Meanwhile the Western Republicans declared their intention to hold up the passage of the tariff legislation then pending in Congress until valuable concessions were made to them on the silver issue (pp. 237-239). Thus, with the main feature of the platform at stake as well as a threatened breach in the party organization, the Republicans hastily agreed to a compromise, which was embodied in the Sherman Silver Act, an act with which Sherman, as a matter of fact, had little sympathy, although he put it into its final form. This measure passed Congress and received the signature of President Harrison in July, 1890. It directed the Secretary of the Treasury to purchase forty-five hundred thousand ounces of silver bullion a month and to issue United States Treasury notes based thereon, which were to be legal tender for debts and to be redeemable in gold or silver at the discretion of the Secretary of the Treasury. Furthermore, the act declared that it was "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio or such ratio as may be provided by law." These words were ambiguous and might be so applied as to place the country on either a gold or a bimetallic basis.

As in the case of the Bland-Allison Act of 1878, the measure satisfied no one; and in spite of the fact that it required the Treasurer to purchase 54,000,000 ounces of silver each year (an amount almost equivalent to the total silver production of the

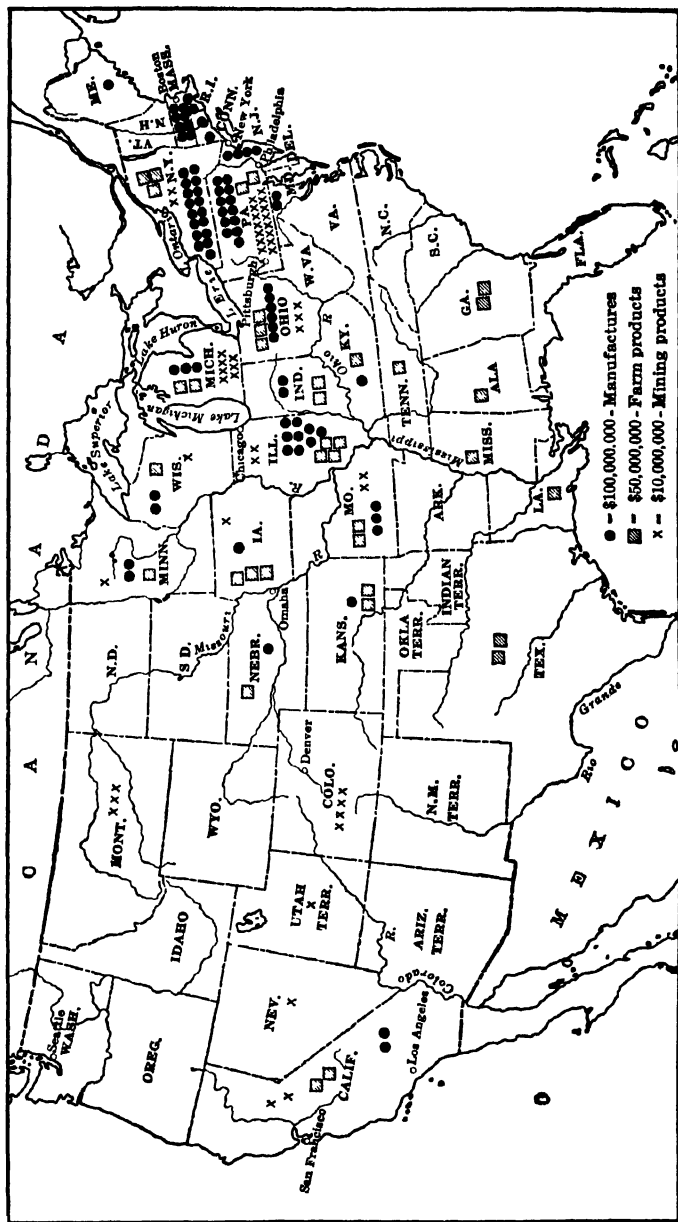
United States in 1890) instead of the minimum of \$24,000,000 under the old act, it accentuated rather than lessened the demand for the free coinage of silver. This issue thenceforth became a leading feature in the legislative programs of the farmers' organizations of the West and the South and was being more and more favored by the rank and file of Democrats regardless of the attitude of Cleveland, whose candidacy for reelection in 1892 was being actively promoted, and of the noncommittal policy of the national Democratic party. Although in their platforms of 1892 both parties were indefinite on the subject of free coinage, the Democrats denounced the Sherman Act as a "cowardly make-shift." The question came up regularly in Congress after 1890, but the conservative House defeated any important alterations in the Sherman Act until its repeal in 1894.

#### THE DEVELOPMENT OF LARGE-SCALE INDUSTRY

While the silver controversy was troubling the party leaders and dividing their councils, the emergence of a new type of business organization with monopolistic tendencies and corrupt political activities aroused a general protest against the threatened destruction of the competitive system and stimulated a demand for governmental legislation to guarantee the continued existence of the old economic order. The question, however, was not new. For half a century it had been steadily growing in importance until it reached a climax during Harrison's administration. Meanwhile the most astonishing economic change in the history of the world had taken place. Indeed, the United States of the pre-Civil-War days bore little resemblance to the country half a century later. It had been a nation of farmers, city artisans, small-scale manufacturers, and independent business men largely lacking almost all the present commonplaces, such as the telephone, the automobile, the radio, electricity, trolley cars, sewage systems in the cities, and innumerable other conveniences which are generally enjoyed today. Industries of every sort were highly individualized as compared with present-day conditions. Small single owners or partnerships controlled not only manufacturing but commerce as well. For

example, during the sixties thousands of independent companies were drilling for oil in Pennsylvania, and more than two hundred were refining the product. Several hundred operators were mining coal in the anthracite region of Pennsylvania, and two hundred companies were making mowers and reapers. Similar conditions prevailed in practically every other industry that is controlled and operated today by a comparatively small number of large corporations. Competition was the order of the day, and because of it the consuming public was assured of reliable goods, prompt and efficient service, and fair prices.

Before the close of the Civil War, however, the transformation of the United States into a highly organized industrial country was well under way. Though this movement was independent of the war itself, it was greatly stimulated by it. Especially was this true in the development and consolidation of the railroads and in the manufacture of numerous products, such as clothing, shoes, and munitions, for which the war had created a sudden demand. Another fact in changing conditions was the introduction into every branch of manufacturing of labor-saving machinery, which the Industrial Revolution had made possible. Moreover, during the seventies in particular there began a struggle for the markets of the country which resulted in price-cutting to such an extent that literally thousands of independent concerns were forced out of business. The advantages of the large establishment with abundant capital with which to purchase costly machinery, to utilize the by-products, to perfect an efficient organization, and to bargain with labor, bankers, and transportation companies became increasingly evident. Indeed, in the three decades after the Civil War there was a marked tendency for individual manufacturers to produce a larger output in a smaller number of plants. This trend was furthered both by the accumulation of a vast amount of capital in the country and by the extension and improvement of means of communication, which enabled the more efficient factories to deliver their merchandise over larger areas and to secure through their traveling salesmen trade which otherwise would have gone to less favorably situated enterprises. Furthermore, the large-scale establishments were able to effect many additional econo-



INDUSTRIAL UNITED STATES IN 1890

mies by the purchase of raw materials, by the use of specialized machinery, by the employment of experienced workmen, and by the building up of efficient organizations.

The extent of the change from small to large units of industry in the United States is clearly marked by statistics. In 1850 the 1333 manufacturers of farm implements employed on an average five workmen and had a working capital of only \$2600; whereas in 1890 the number of establishments had shrunk to 910, but both the capital and the output had greatly increased. In 1880 there were 1990 woolen mills; in 1890 there were but 1311. During the same decade the number of iron and steel mills decreased by one third, while they yielded a product nearly one third greater. Three fourths of the establishments in the leather industry disappeared; nevertheless the volume of business grew to five times what it was in 1880. Similar figures might be given to illustrate the transformation that was taking place in practically every other branch of manufacturing and commerce.

With the enlargement of the business unit and the intensification of competition, individual ownership and partnership became wholly inadequate. Few men possessed sufficient capital to operate efficiently any industrialized establishment and to assume the uncertainties of business. Consequently after the Civil War the corporate form of business, which had prevailed to a certain extent in the building of railroads and turnpikes and in the formation of banks, began to replace the old form of organization until today its use is almost universal. Because of its association with the idea of monopoly and the possibility of ruthless exploitation, it had been looked upon as dangerous and undemocratic and, for that reason, has been closely supervised by legislation. This type of organization has been aptly described as "a voluntary autonomous association formed for the private advantage of its members, which acts with compulsory unity and is authorized by the state for the accomplishment of some public good." The so-called corporation, therefore, is chartered by the state to engage in some definite business undertaking. Though it is not a person, it is regarded as an artificial being which, like a person, may carry on business and, in

short, act as an individual, subject to all the responsibilities which a person might incur. Furthermore, through the issuance of stock, which may be bought and sold at the pleasure of the owner in varying amounts, large sums of money may be accumulated in any business. The resources of capital thus obtained may be augmented through the sale of bonds and the borrowing of money. By these means many persons may share in the development of a business and in its profits. Indeed, corporations with an excess of a hundred thousand different stockholders and with capital running into hundreds of millions of dollars are numerous, and the number is rapidly increasing.

### TRUSTS AND MONOPOLIES

Though many of the great corporations attained their size by natural expansion, others achieved their greatness through a consolidation of competing concerns. Indeed, the inevitable tendency appears to be for each establishment to seek to obtain a monopoly of the product in which it deals so that it can determine the character of its goods and fix prices at its own discretion. The principle of combination was first applied on a large scale in the consolidation of railroads into great systems; but it was quickly extended to the manufacturing industry, particularly to those concerns engaged in the production of bulky commodities of a standard, uniform quality, of which freight charges make up a large part of the final cost. The movement toward consolidation has passed through a number of definite stages, the first of which was the pool, a popular type of organization in the period between the panic of 1873 and the passage of the Interstate Commerce Act of 1887 (pp. 222-225). Though the pool was forbidden in the latter year, however, it continued in one form or another in many industries.

Meanwhile the trust developed and became before many years the leading form of combination. Under this kind of organization the stockholders enter into agreement to surrender to a board of trustees in exchange for trust certificates a controlling portion of the stock of the various concerns involved. As absolute power is given to the trustees, a monopoly is easily effected.



Before the end of the century organizations of this sort obtained a dominating influence in many of the leading industries of the country.

Though the first trust in the modern sense, the Western Union Telegraph Company, was formed shortly before the Civil War by the absorption of more than fifty competing companies engaged in the business of transmitting telegraphic messages, it remained for the Standard Oil Company to demonstrate the possibilities of the monopolistic organization of production. Practically every phase in the methods and development of industrial combination in the United States is illustrated in the history of the oil business as exemplified in the rise of the Standard Oil Company.

While the existence of crude petroleum had been known for several centuries, little use had been made of it until comparatively recent times. Indeed, it was not until 1859 that the first oil well was successfully drilled, an event which was followed by one of the most phenomenal developments in the industrial history of the country. Before the close of the Civil War the western Pennsylvania wilderness had been converted into thriving communities; and by 1870 petroleum not only had become a domestic product of first importance, but had taken fourth place among American exported articles. Today it is sixth in the country's industries and is indispensable to many others. For instance, the automobile business, which stands first in the list, represents in total consumption of oil and its products a sum exceeding \$2,000,000,000 annually.

Because oil was found in limited areas and was a natural monopoly, the consolidation of the industry was less difficult than that of some others. The success of the attempt, however, was owing largely to the vision, the will power, the sagacity, and the ability of John D. Rockefeller and a small group of men associated with him. In 1865 he began refining oil in Cleveland, and two years later, while the industry was still in its infancy, he effected a union with several rival companies. His object, as he said later, "was the desire to unite our skill and capital in order to carry on a business of some magnitude and importance in place of the small business that each separately

had theretofore carried." In 1870 he made a further consolidation with rival concerns under the name the Standard Oil Company of Ohio, which soon included all but five of the remaining independent refiners in the Cleveland area. He next directed his attention to the absorption of his competitors in New York, Pennsylvania, and Maryland with such success that in less than a decade he held in his hands more than 90 per cent of the oil-refining business in the United States. Meanwhile he had acquired control of the pipe lines leading from the oil fields to the oil-distributing centers as well as the warehouses and docks needed for the efficient handling of oil shipments, and he was making rapid progress toward the elimination of the middleman and the manufacturer of all by-products of oil.

These sensational results were attained both by efficiency in organization and management and by the securing of favorable freight rates and the use of unscrupulous and sometimes illegal methods of destroying competition. Because of the magnitude of its total business the Standard Oil Company was able not only to gain more favorable rates and quicker service than its competitors but to induce the railroads in some instances to pay the company a certain percentage of the freight charges made upon other refiners. Inasmuch as freight charges then, as now, constituted an important part of the total cost of the product, the independent refiners, thus placed at a disadvantage, were faced with the option of bankruptcy or affiliation with the Standard Oil Company. One means by which Rockefeller gained his supremacy was through the formation in 1872 of the South Improvement Company for the purpose of obtaining favorable rates. Though this organization soon incurred so much popular hostility that its charter was withdrawn, the Standard Oil Company continued to receive the rebates and concessions in one form or another. Rockefeller next attempted to eliminate competition, to limit production, and to fix the price of crude petroleum through a cooperative association, but as some of the members apparently failed to live up to the agreement he abandoned the project. In 1882, however, after several years of organization, he brought under his influence thirty-nine of the largest refining companies of the country.

These he organized into four large Standard Oil Companies with charters from Ohio, New York, Pennsylvania, and New Jersey respectively. Then, in order to bring about further centralization, the Standard Oil Trust was formed with a directorate of nine members, of which Rockefeller was made the chairman. To this new organization the stock of the four Standard Oil Companies was surrendered in return for trust certificates. These indicated that the stock was held in trust; but, as a matter of fact, its return could not be demanded. The profits of the business were eventually paid out to the holders of the trust certificates. Though each of the constituent companies ostensibly managed its own business, its policies were determined by the central directors and the profits were surrendered to them. The Standard Oil Trust thus organized existed without a charter, in fact, without the knowledge of any but a limited circle until 1888; yet it was from the beginning one of the most powerful industrial combinations in the country.

After Rockefeller had pointed the way other industrial managers, having the same problem to solve, eagerly seized upon the form of organization of the Standard Oil Trust. Indeed, long before Rockefeller had proved that the manufacture of a commodity could be monopolized, other men in a diversity of industries were consolidating their interests in one way or another; but in general they had the same object in view — namely, the monopolization of the industry in question.

#### THE SHERMAN ANTI-TRUST LAW OF 1890

Regardless of the character of these large organizations springing up everywhere, the public exercised little discrimination in denouncing them. Indeed, the many advantages (generally recognized today) which the big enterprise has over the little, irrespective of its monopolistic features, were evident to only a comparatively small number of people. Unfortunately the first trusts had a noxious record of industrial intrigue and ruthless exploitation. By means of secret contracts, which were often repudiated, by illegal and discriminating rates extorted from the railroads, by tribute wrung from the independent producers,

by the corruption of legislative bodies, and by other unethical methods, they destroyed competition and obtained monopolistic control. In these practices Rockefeller was no worse than thousands of others; but the magnitude of his ventures brought him into the limelight, and his unwillingness to answer criticisms did not improve the situation. Popular sentiment was clearly expressed by the supreme court of Michigan in the case involving the Diamond Match Company, one of the most obnoxious of the trusts of the period, in these words: "Indeed, it is doubtful if free government can long exist in a country where such enormous amounts of money are allowed to be accumulated in the vaults of corporations, to be used at their discretion in controlling the property and business of the country against the interest of the public and that of the people, for the personal gain and aggrandizement of a few individuals." Senator Frye asked in the United States Senate if it was or was not true that the Standard Oil Company, the greatest monopoly in the United States, "a power which makes itself felt in every inch of territory in this whole Republic, a power which controls business, railroads, men and things, shall also control here?" Indeed, many asserted that the great trusts had their representatives in every legislative body in the land, including the Congress of the United States.

The financial practices incident to consolidation were vividly pictured in the literature of the period. Especially influential were such books as Henry George's *Progress and Poverty*, previously mentioned, which advocated the single tax on land as a remedy for the problem of monopoly, and Edward Bellamy's *Looking Backward*, published seven years later, which glorified the socialistic state as contrasted with a capitalistic one. Everywhere labor leaders joined in the protest, for they found it increasingly difficult to deal with the power of consolidated capital. By the early eighties the question became political. In 1880 the Greenbackers, in 1884 the Antimonopolists, in 1888 the Republicans and Democrats, demanded legislative action to prevent or to control monopolies. The Republican platform declared its opposition "to all combinations of capital, organized as trusts or otherwise"; and that of the Democrats stated,

"The interests of the people are betrayed when trusts and combinations are permitted to exist." This aroused public sentiment found expression before the end of 1890 in the passage by twenty-seven states and territories of laws intended to control or destroy monopolies and in the incorporation of provisions of the same character in the constitutions of fifteen states.

In his first message to Congress, in 1889, President Harrison said, "Earnest attention should be given to . . . those combinations of capital commonly called 'Trusts,'" and urged legislation be enacted to curb their power. The questions involved in the passage of Federal legislation on the subject, however, were complicated, for the national government had no authority over corporations chartered by the states. Then, too, it was feared that legislation which would restrict monopolies would also prevent agreements of a purely social character and limit the right of farmers and laborers to organize. After two years of discussion of numerous proposed solutions the Sherman Anti-Trust Act was passed (1890) by a unanimous vote in the House and with one dissenting vote in the Senate.<sup>1</sup> This measure, which bears the name of John Sherman (although he appears to have had little to do with its preparation), is based on the interstate-commerce clause of the Constitution. By this act combinations and conspiracies in restraint of trade among the several states

<sup>1</sup> Many members of Congress who supported this bill felt that legislation of this character was not only unwise but unconstitutional, but they could not resist the popular demand for it. Then, too, many believed that legislation on the subject was necessary to prevent a radical revolution. In a speech in the Senate in March, 1890, John Sherman said: "They had monopolies and mortmains of old, but never before such giants as in our day. You must heed their [the people's] appeal or be ready for the socialist, the communist, and the nihilist. Society is now disturbed by forces never felt before. . . . Congress alone can deal with the trusts, and if we are unwilling or unable there will soon be trusts for every production and a master to fix the price for every necessity of life."

Not all men in public life, however, were influenced by the popular frenzy against combinations and trusts. Blaine looked upon trusts as private affairs with which neither the government nor any private citizen had any right to interfere, and Speaker Reed ridiculed the dangers of monopolies. "I have listened," he said, "to more idiotic raving, more pestiferous rant on that subject than on all others put together." He did not believe that monopolies could permanently exist in the United States. "There is no power on earth," he continued, "that can raise the price of any necessity of life above a just price and keep it there."

and with foreign countries were declared illegal, and its violation was made punishable with fine and imprisonment. The bill was drawn in general terms intentionally, for Congress did not wish to interfere with legitimate business regardless of its size. What constituted a "contract, combination, or conspiracy in restraint of trade" was left to the wisdom of the courts to determine. Indeed, the bill sought merely to restate the usual principles of English common law for application to America.

Though the Sherman Act was expected to end monopolies, it proved ineffective for a long while. The financial depression in the succeeding years retarded for a time further large-scale consolidation; and the courts, both state and Federal, encountered so many difficulties in a rigid interpretation of the many indefinite clauses in the law that decisive judicial action was studiously avoided. That the tendency toward consolidation was natural, almost inevitable, no one appreciated more than the courts. Indeed, of the eight cases that came before the courts during the first two years after the passing of the Sherman Act seven were decided against the government. In 1893 the Supreme Court refused to order the dissolution of the American Sugar Refining Company, which had obtained control of 98 per cent of the refining business, on the ground that the acquisition of individual plants was not an act of interstate commerce. Two years later the effectiveness of the legislation was further weakened when the court said that the law was applicable only to monopoly in restraint of trade and not to monopoly in manufacture. Though the state courts succeeded in dissolving a few corporations, for instance, the Standard Oil Company of Ohio, they were unable to check to any great extent the growth of combinations. To be sure, trusts according to the letter of the law had been dissolved, but combinations did not cease. They merely changed their form of organization. By means of holding companies, contractual agreements, interlocking directorates, etc., all the needs of big business were attained. The public, however, remained unreconciled and kept demanding legislation dealing adequately with big business until during Roosevelt's administration the Sherman Act was materially strengthened, a development which will be discussed later.

## THE DEMOCRATIC LANDSLIDE OF 1890

When the leaders of the Republican party approached the elections in the fall of 1890, they could boast of legislative achievements during their brief tenure of two years that have had few equals in the history of the country. Indeed, through the adoption of the Reed rules in the House, unpopular though they were, the transaction of business had been greatly expedited. Every major plank in the Republican platform had become a law, although in each instance in a somewhat modified form. However, the tariff, the currency legislation, the attempted curbing of the power of big business, — in fact, all the Republican measures, — did not meet with popular favor. At the same time the lavish expenditures of the government and the increased prices, which the Democrats easily charged to the tariff, caused a pronounced reaction to set in. The fact that in no single case had sufficient time elapsed to test adequately the success of the legislation made no difference. When the votes were counted, it was found that the Republican administration had been thoroughly repudiated. The next House was to be composed of 235 Democrats, 88 Republicans, and 9 Farmers' Alliance and Populists, and the Republican majority in the Senate was reduced to 8. In the Middle-Western states — Indiana, Illinois, Iowa, Minnesota, Kansas, and Nebraska — the victory amounted to a political revolution. Even New England returned a Democratic majority.

## DIPLOMATIC RELATIONS WITH CHILE

Domestic problems were not the only ones that pressed for solution during Harrison's administration. Foreign affairs also occupied an important place, although the management of them was not characterized by any marked degree of statesmanship. James G. Blaine, the Secretary of State, was especially interested in the promotion of friendly relations with the Latin-American countries and, for the most part, pursued the policy he had inaugurated during his short term in the State Department in 1881 (pp. 182-188). Much of the good that he accomplished

by his partial success in establishing reciprocity in trade he sacrificed by his unfortunate bungling of the negotiations dealing with the problems growing out of the Chilean revolution.

In Chile a controversy arose between President J. M. Balmaceda, who appears to have disregarded many of the constitutional restrictions placed on his office, and the National Congress, which had the backing of the masses of the people. In time open war developed between the factions. Since the congressional party represented the popular cause of liberty, North American sentiment inclined to support their position. Patrick Egan, however, the minister from the United States to that country, who had been appointed to this post as a result of his services to Blaine in the political campaign of 1888, became an enthusiastic supporter of Balmaceda. Not only was Egan devoid of tact, but in his dispatches he did not represent impartially the progress of events in Chile.

A crisis in the relations between the two governments was reached in May, 1891, when the *Itata*, a merchant vessel loaded with munitions of war for the congressional army, left San Diego, California, where she was being detained in the custody of the court, without the proper clearance papers. A war vessel was dispatched immediately to capture and return the vessel. Upon the arrival of the *Itata* in Chile she was handed over without resistance, although the Chileans were incensed by the incident. Afterwards a Federal district court decided that the seizure was unwarranted. After a brief struggle the cause of the congressional party prevailed, and Balmaceda committed suicide to avoid capture. Many of his followers, however, took refuge in the American embassy, where they were shielded and later transported from the country. Early in September the new government was recognized by the United States. Nevertheless the hostility of the native population was so great that on October 16 a party of marines from the United States warship *Baltimore* on shore leave at Valparaiso became embroiled in a street fight in which one American was killed and eighteen were wounded. Secretary of State Blaine decided that the Chileans were the aggressors and insisted on considering the affair as an insult to the flag. Accordingly he not only dispatched a peremptory



demand for a "suitable apology" and "some adequate reparation," but, without awaiting a reply, induced President Harrison to send a war message to Congress. Doubtless the President acted with undue haste in this matter; for the Chilean government was giving the question careful consideration, and there is every indication that an amicable settlement could have been reached within a few days. As it was, Chile acceded to all the demands of the United States, but she did so under the threat of compulsion. Thus the whole affair smacked of bullying tactics and reacted against the conciliatory policy which the government had been pursuing in its relations with Latin-American countries.

### THE FUR-SEAL CONTROVERSY

The State Department was equally unfortunate in its negotiations with England concerning the seal fisheries in the Bering Sea. Included in the territory of Alaska, acquired from Russia in 1867, were the Pribilof Islands, where the fur-bearing seals gather during the spring and summer to rear their young. During this period it is possible to slaughter them with ease and thereby bring about the early destruction of the entire industry. To guard against this possibility the United States in 1870 ceded to the Alaskan Commercial Company monopoly rights, but with rigid restrictions concerning the extent and nature of the annual killings. With the increase in the price of the furs, however, outside adventurers, mostly of Canadian extraction, began the slaughter of the seals either as they passed through the Aleutian Islands on their way out into the Pacific or in the open stretches of the Bering Sea. The government of the United States in 1881, through a ruling of the Secretary of the Treasury, which was later sustained by the State Department, a United States district court, and Congress, to the effect that the Alaskan Territory embraced the whole of the Bering Sea, proceeded to take steps looking toward the regulation of seal-fishing on water as well as on land. Beginning in 1886, many seizures of vessels of British registry were made, in some instances more than sixty miles from land. In every case the English government filed a vigorous protest. Not only did it contest the position of the

United States that the Bering Sea was a *mare clausum*, but it demanded reparation for damages for each seizure made outside the traditional three-mile limit commonly recognized by international law. The exchange of notes between Secretary Blaine and Lord Salisbury contained many intemperate utterances. As a result both British and American sentiment was inflamed to the danger point. Failing in its effort to bring about an international agreement on the question, the government at Washington became more and more arbitrary in the assertion of its claims, until war loomed as a possibility. In 1892 both the Republican and the Democratic party sustained the extreme position of the government. After a period of reflection, however, the nations agreed to submit the question to arbitration. In 1893 the tribunal, which met in Paris, handed down the following decision: (1) that Bering Sea was not a *mare clausum* and that the jurisdiction of the United States did not extend beyond the three-mile limit; (2) that the United States should pay damages incurred from the seizure of ships contrary to this rule; and (3) that stipulated regulations designed to prevent the extinction of the seals in Bering Sea should govern the United States and England in the future conduct of these fisheries. Thus, though the United States lost on the first and second points, she succeeded in obtaining the much-needed protection of the fur-seal industry. The untenable position taken by the United States after 1889, when the controversy reached a crisis, was owing largely to Blaine, who was inclined to be jingoistic and to make wide claims in behalf of his own side. It must be admitted in this case, however, that the extreme position taken by Congress in 1889 left Blaine little leeway in the matter. This diplomatic defeat, though a shock to American pride, was accepted as gracefully as could have been expected. It demonstrated rather forcefully the need for well-informed diplomatic agents and the maintenance of a moderate, safe policy in the assumption by the United States of the rôle of a great power.

## THE MAFIA INCIDENT

Entirely different was the controversy which arose between the United States and Italy concerning the lynching of nine Italians by a mob in New Orleans on March 15, 1891. Although only a local disturbance in which foreign powers would ordinarily have no interest, this incident had peculiar consequences because of the fact that some of the men involved were Italian subjects. For a number of months New Orleans had been the scene of many black-hand outrages with which the Mafia, a well-known Sicilian organization, was believed to be associated. After a time the chief of police, who had succeeded in identifying many Italians with criminal records in that city with the parent society in Italy, was murdered in a peculiarly brutal manner. A number were arrested, but though the evidence against them was strong it was largely circumstantial. After an exciting trial six were acquitted, and the jury disagreed as to three others. All were held temporarily, however, on other charges. The public was thoroughly aroused at what appeared to be a miscarriage of justice owing to intimidation and bribery. Following the announcement of the verdict, an armed mob assaulted the prison and murdered the Italian prisoners. Since the lynching, in which some of the leading citizens of the city had participated, met with the approval of almost the entire non-Italian population, no arrests were made, although the leaders were well known.

When the news of the incident reached Italy a summary demand was sent to Washington for the punishment of those who had participated in the lynching and the payment of indemnities to the parents of the victims of the mob. In his reply Secretary Blaine, after explaining the dual character of the government of the United States, expressed his willingness to recommend to the proper authorities the institution of criminal proceedings; but he stated very clearly that he did not recognize "the right of any government to tell the United States what it shall do. We have never received orders from any foreign power and shall not begin now." As this explanation was not acceptable the

Italian minister at Washington was recalled. A few weeks later, however, President Harrison publicly alluded to the matter in such a way as to enable relations to be restored without loss of dignity on the part of the Italian government. Investigation disclosed the fact that all the Italians who had been lynched except three were American citizens. To the families of these three Congress voted the sum of \$25,000. Italy professed to be satisfied with the arrangement and dropped the controversy. Though this had been a difficult matter to handle, Secretary Blaine carried on the negotiations with skill and tact.

## CHAPTER XII

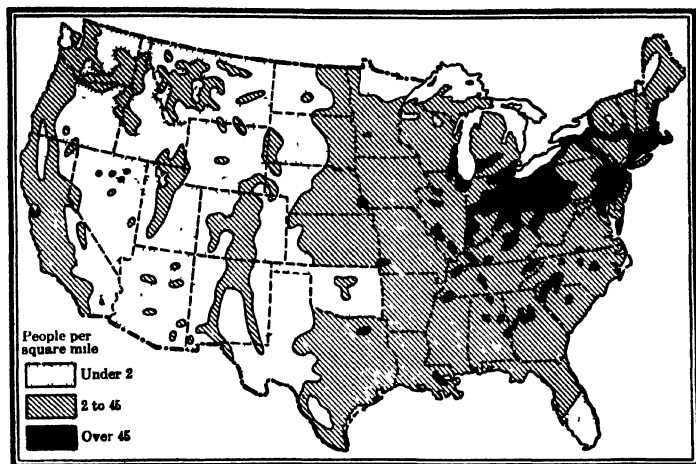
### SOCIAL AND CULTURAL TENDENCIES, 1865-1890

#### CHANGES IN POPULATION

In contrast to the first census of the United States in 1790, which was a mere enumeration of people, that of a hundred years later embraced a wide variety of subjects, including data concerning the economic life of the nation. It required much time, cost \$11,000,000, and filled twenty-five bulky printed volumes. Among other things, it revealed the fact that the population during the century had increased from 3,929,214 to 62,947,714, nearly sixteenfold. It is evident that this enormous accession of numbers must have had far-reaching effects on the industrial growth of the country, not merely by supplying additional laboring forces but by creating new demands for the products of labor. As a result of the absorption of the increment to a large extent in industrial establishments, there had been at the same time a more than proportionate growth of the urban population. The percentage of people living in cities of more than 8000 was 3.3 in 1790, 16.13 in 1860, and 29.2 in 1890. At this latest date sixty cities boasted of a population of more than 27,000. New York with 2,507,414 still held the supremacy, Chicago stood second with 1,099,850, and Philadelphia third with 1,046,964. St. Louis, Boston, and Baltimore followed with more than 400,000 each. Denver, Omaha, St. Paul, and other cities had tripled or quadrupled their size in a single decade.

Though only a few counties in the country actually lost in population between 1865 and 1890, many parts of the East and the Middle West had remained practically stationary. At the same time rapid increases were to be found in the industrial sections of the North and East and in the agricultural West. The center of population had moved nearly fifty miles west and nine miles north in a single decade to a spot about twenty

miles east of Columbus, Indiana. During the last twenty years of the nineteenth century 26,000,000 people were added to the population, or more than the entire number of inhabitants in 1850, of whom one fourth were absorbed by four older states on the seaboard — Massachusetts, New York, New Jersey, and Pennsylvania — and the remainder distributed unequally over the country with the major portion settling on the Western land



DISTRIBUTION OF POPULATION IN 1890

available for homesteaders. Of these additions about 9,000,000 were aliens, a number nearly equal to the immigration of the preceding sixty years.

The census showed also that the construction of railroads and manufacturing plants had gone on with surprising rapidity. In 1890 the railroad mileage stood at 163,000, a figure approximately twice that of ten years earlier. In 1890 too the number of manufacturing establishments exceeded 350,000, with a capital investment of more than \$6,500,000,000 and a laboring force of 4,251,000. As in the case of agriculture and population, the movement of manufacturing had been steadily westward. Between 1850 and 1890 its center had advanced from forty-one miles northwest of Harrisburg, Pennsylvania, to a few miles

southwest of Canton, Ohio. This condition had been brought about primarily by the filling up of the West, which had thus provided labor and a market, by a desire to be close to raw materials, and by the improvement of means of communication and transportation.

Farming alone, of all the leading American industries, appeared to have lagged. Indeed, in 1890, agriculture, which had been the principal source of wealth, occupied a position second to that of manufacturing, and ten years later the value of its output was less than half that of its chief rival. Rural sections in many states actually declined in population, particularly in New England, Ohio, Illinois, and Iowa. The last twenty years of the century saw the acreage of improved land in New England fall from 13,500,000 to 8,100,000. As these farms were abandoned, official investigations were instituted to determine in what ways population might be attracted to the country.

Meanwhile the South was showing great powers of recuperation and development. Largely through the use of commercial fertilizers the cotton area was rapidly extended. The abundant water power, the low-priced labor of women and children, and the cheap cost of living attracted capital to the region. Consequently by 1890 a number of the Southern states were spinning more than half the cotton grown within their limits. At the same time the development of the cotton mills led to the growth of many other industries. The extensive mineral regions which stretched southward from West Virginia for several hundred miles, covering an expanse of country one hundred and fifty miles in width, were being opened up. Consequently by 1890 the South was producing more coal and iron than the whole country had put on the market twenty years earlier. Everywhere the evidences of a new South were to be seen, but only the optimistic could vision the prosperous and highly industrialized South of 1930.

The rapid concentration of people in the urban centers which accompanied the development of large-scale industries characteristic of the period necessitated new means of transportation not only for the movement of the vast army of citizens to and from their places of business but for that of food and of prod-

ucts of the mills and factories. It caused also a demand for the conservation of space, which in turn resulted in suburban residential centers, apartment and tenement houses, and slums. Naturally this assembling of large numbers of people in limited areas created problems of government, many of which are still in the experimental stage. For one thing, grave questions of health and public safety arose. Moreover, adequate water supplies had to be found, methods for the disposal of sewage, refuse, and waste developed, fire and police protection provided, parks and recreational facilities established, and innumerable regulations dealing with housing conditions, sanitation, and disease made. To accomplish these and other functions necessitated not only enormous outlays of money but the building up of an intricate governmental system. In this connection the character of the population of the average city and the problems which the public officials were called on to handle made easy the organization of corrupt political machines, to combat which many reforms in the governments themselves were instituted with marked success. The American city, however, remained, as it had been for many decades, more corruptly and inefficiently governed than that of any of the progressive countries of Europe.

#### LIVING CONDITIONS

The material advancement of the United States during the three decades following the close of the Civil War brought about many significant changes in the social life of the people, especially in the new urban centers. Into these came thousands of individuals who had accumulated fortunes in the business activities of the country. For the most part they were deficient in cultural background and inherited traditions. With only meager intellectual interests this plutocracy spent fabulous sums for the building and furnishing of palatial residences and whiled away their idle hours in superficial and often gross entertainment. Sumptuous feasts were given in the hotels and the costly houses of the rich. On one of these occasions the interior of the Waldorf Astoria in New York "was transformed into a replica of Versailles, and rare tapestries, beautiful flowers, and countless



lights made an effective background for the wonderful gowns and their wearers." The leading guests impersonated such characters as Mary Stuart and Louis XIV, and many expended on their costumes sums running into thousands of dollars. By the end of the century, however, a distinct tendency was evident among the wealthy in general toward higher and more wholesome intellectual and social attainments.

At the other extreme of the social scale were the urban masses who did menial service for the well-to-do and labored in factories, on the streets, and in the business establishments as unskilled workmen. Thousands of these came directly from rural communities, where their simple habits of life were in striking contrast to the complicated economic and social order into which they were thrown in their new environment. Added to these were the incoming hordes from Europe, whose poverty and destitution made them easy victims of capitalistic greed and exploitation. The rapidity of the industrial growth of the country found the cities almost wholly unprepared to furnish suitable accommodations for these thousands of newcomers; consequently they were herded together in cheaply constructed tenement houses with little or no provision for fire protection, for health, and for comfort. In these dark and dingy habitations the maintenance of a respectable standard of living was difficult.

This deplorable situation was complicated further by the fact that American cities had not awakened to either their need or their responsibility for legislation to safeguard the health, the morals, and the general well-being of their citizens. Many made no provisions for sewage disposal; and garbage and filth cluttered the back yards, the alleys, and even the streets in all the congested areas. Equally unsatisfactory was the water supply, which too often came from wells and cisterns within the city limits. Public parks, playgrounds, and other recreational features were practically unknown. The inevitable result was frequent scourges of disease and high mortality.

Deplorable as was this general situation, the fact was indisputable that the American working classes occupied a position far above that of their compatriots in Europe. Not only were the public schools flung wide open for all, but there existed no

tokens of dress, speech, or manners that hopelessly separated them from the upper ranges of society. Indeed, every field of human endeavor was open to the talented individual regardless of his origin or the social standing of his parents. Furthermore, the daily emergence of men from the lowly walks of life into places of prominence and wealth was a constant inspiration to their less fortunate brothers as well as a stabilizing influence.

Regardless of the squalor of their surroundings, the lot of the urban masses was not wholly devoid of interest. The very unattractiveness of their environment created in them a craving for relief, of which capitalistic enterprise was quick to take advantage. Consequently "palaces of entertainment," vaudeville shows, prize fights, circuses, dime museums, and cheap theaters were established everywhere. At the same time the prevalence of universal manhood suffrage furnished thousands with a political outlet from the tension induced by poverty and mechanical routine in the factories and gave many an individual a degree of respect that he could not have attained otherwise.

Between the plutocracy and the relatively poor city dwellers was the large middle class, composed for the most part of those engaged in the professions, in trade, in the smaller business pursuits, and in clerical positions. Although the majority of these possessed only moderate incomes, they maintained a rather high standard of living, adhered to a strict ethical and moral code, and practiced a marked degree of thrift and sobriety. From this group came the main support of the churches, the colleges, literature, and, in short, the basic principles of American civilization. In 1865 they lived in one-family houses; before the end of the period these were being replaced by apartment houses of various types. Middle-class homes showed indications of a high average of culture. There were to be found many of the devices which science had recently brought to light. The sewing machine was in common use, and the kerosene lamp and, later, gas and electricity provided better illumination than previously had been available. Other conveniences and labor-saving appliances made it possible for housewives to free themselves from much of the drudgery of housekeeping so that they had leisure for intellectual and cultural attainments.

The agricultural masses, embracing more than half the total population of the nation, together with the inhabitants of the thousands of small towns and villages of the land, emulated the urban middle class. Indeed, in their ideals and cultural interests the two groups were not essentially different, although the former were less inclined to be influenced by the new religious beliefs and scientific discoveries of the period. Even in the South the conservative tendencies of the pre-war days were fast disappearing under the impact of the growth of towns and cities and the rise of industrial pursuits. Indeed, before the end of the century the South resembled the North in most respects. At the same time the construction of the transcontinental railroads, the subjugation of the hostile Indians, and the passing of the frontier caused the disappearance of many of the picturesque aspects of Western life that had characterized that section during the seventies and eighties.

The consolidation of business, the improvement of means of communication, and the concentration of population in industrial centers (topics which have been discussed elsewhere) facilitated the interchange of ideas and encouraged travel. Before 1865 the average American had traveled but little. The modern exodus to Europe had not begun, and his own land was mostly *terra incognita*. The process of weaning him from this extreme provincialism, widening his interests, and making him the globe-trotting individual he is today was a slow one, involving many factors and influences. By no means the least of these was the Centennial Exhibition, which was held at Philadelphia in 1876, to which at least three million people came from distances of more than one hundred miles. It brought together in small compass the symbols of the economic life, the art, the culture, in short, the civilization, of the leading peoples of the world. Especially effective in influencing American thought and action were the educational and art displays. That the American educational system, largely the result of subjective experience, had suffered seriously from self-sufficiency was demonstrated in the exhibits, which showed that in matters of sanitary surroundings, hygienic conditions, the cultivation of artistic sense and agreeable environment, the teaching of manual training, and kinder-

garten instruction the schools of the United States were woefully deficient. Equally striking was the contrast between the art of Europe and the crude efforts of America. The effect of the Centennial Exhibition on manufacturing, architecture, and agriculture and its stimulus to increased foreign trade were decidedly noticeable. Later world's fairs, especially the one held in Chicago in 1893, contributed much to the cultural development of the American people.

### THE DEVELOPMENT OF EDUCATION

The intellectual background of the period from 1865 to 1890 was grounded in no small degree on the development of public and collegiate education. Although education as a primary duty of democracy had always been recognized in the United States, its expansion to include the masses and its reorganization to serve the needs of the age are of comparatively recent origin. The foundation on which the present system has been built was well established by the middle of the last century. The rapidly increasing wealth of the nation, the concentration of the population in cities, and the new industrial life made the extension of the school system not only easy but almost inevitable. Especially effective were the multiplication of physical plants and their enlargement to meet the needs of the curriculum and the hygienic demands of the age. At the same time a system of teacher-training schools was being established, which materially improved the standard of instruction. Meanwhile the curriculum was enlarged to include various forms of manual training, agriculture, and home economics. Despite the fact that comparatively little progress was made in school development in the South for three decades following the close of the Civil War, owing to the desolation and havoc wrought by the war and reconstruction, the public expenditures for elementary and secondary education for the entire country nearly tripled and the enrollment more than doubled, reaching a total of 12,700,000 in 1890.

The modern high school supported by taxation is largely the product of the past three quarters of a century. Indeed, when Lincoln was inaugurated president in 1861, there were only

about one hundred public high schools in the country. So rapidly were they established after 1865, however, that by the end of the century they numbered more than 6000 with a total enrollment exceeding 500,000.

The same forces that brought about the extension of the public high schools were also instrumental in the establishment of state universities. Although these originated in an earlier period, their main development came after the close of the Civil War, largely as a result of the passage of the Morrill Act of July 2, 1862, which provided for a grant to each state of thirty thousand acres of public land for every one of its senators and representatives in Congress. This land was to be used to promote education in the agricultural and mechanical arts and the natural sciences. In later years further substantial assistance was extended to these so-called land-grant colleges by the passage of a number of acts appropriating funds for the development of research and the extension of instruction along certain lines.

By the middle of the century the need for schools expressly to prepare men for definite business or industrial careers was appreciated by many. In 1850, in discussing the decline in the enrollment of the New England colleges, President Wayland of Brown said: "Our colleges are not filled because we do not furnish the education desired by the people. . . . We have produced an article for which the demand is diminishing. . . . We have in the country one hundred and twenty colleges, forty-two theological seminaries, and forty-seven law schools, and we have not a single institution designed to furnish the agriculturist, the manufacturer, the mechanic, or the merchant with the education that will prepare him for the profession to which his life will be devoted." With the industrialization of the country following the Civil War, the demand for the kind of training indicated by President Wayland became so imperative that several purely technical institutions were founded and endowed by wealthy business men, and most of the older universities and colleges added departments to give technical instruction. Beginning with the Columbia School of Mines in 1864, the Massachusetts Institute of Technology in 1865, Lehigh University in 1866, Stevens Institute in 1871, the Case School of Applied Science

in 1880, and the Rose Polytechnic in 1883, institutions of this kind sprang up in all the leading industrial centers. By the end of the century the instruction obtained in these schools had become a fundamental part of the American system of education.

Physics, chemistry, biology, art, and music, together with courses of study in the social sciences, began to receive a prominence that had been accorded previously only to Greek and Latin. More attention was thenceforth given to the securing of better-trained teachers and the improvement of methods of instruction, and library and laboratory facilities were greatly augmented. Such university administrators as Charles W. Eliot of Harvard, Andrew D. White of Cornell, James B. Angell of Michigan, Daniel Coit Gilman of Johns Hopkins, and James McCosh of Princeton introduced these new ideas into their respective institutions, from which they gradually filtered into the smaller colleges of the country. Especially sensational was the establishment at Harvard University by President Eliot of the elective system, which permitted the student to select almost at will the program of studies that he wished to pursue. While these changes were taking place in the larger educational institutions a striking tendency was evident toward the liberation of higher education from clerical domination. Not only were many denominational schools made nonsectarian, but the course of study was materially altered and the practice of appointing clergymen to presidencies and to boards of trustees declined.

Coincident with these physical changes in the basic character of higher education, an increased amount of attention was given to pure research in all the fields of human knowledge. Graduate schools were established in the larger institutions, and advanced degrees other than those in theology, law, and medicine were granted. As early as 1861 the German degree of doctor of philosophy was awarded for the first time in America by Yale, to be followed in 1872 by Harvard and in 1884 by Columbia.

No phase of the development of higher education in the period after the Civil War was more notable than that for women. To be sure, girls had been admitted previously to most primary and secondary schools on an equal basis with boys, and some

had obtained in girls' seminaries instruction beyond that offered in the public schools. Practically all colleges, however, were closed to them, with a few exceptions, such as Oberlin College. It was not until the sixties that the first women's college adequately endowed was opened by Matthew Vassar, with the avowed purpose of maintaining educational standards equal to those of the best men's colleges. Wellesley, Smith, Bryn Mawr, Wells, Mount Holyoke, Radcliffe, Barnard, and numerous similar institutions followed before the end of the century. Meanwhile the state universities and the colleges of the West and the South were establishing coeducation, which was adopted also by an increasing number of institutions in the East.

#### AMERICAN LITERATURE

As may be expected, the political, economic, and social forces in the period between the Civil War and 1890 reacted in a marked way on literary expression. The Industrial Revolution, with its tendencies to consolidation, the transformation of a scattered agricultural population into an urbanized people, and the improvement of means of communication tended to change all traditional schools of thought. A new generation of writers appeared after the Civil War, who in originality, character of themes, and volume of output surpassed anything previously produced in America. They found material and inspiration in their own land, revealing the new spirit of the country. Yet their Americanism was not entirely new, for it was compounded inevitably with the old European influences. As a matter of fact the literature of the United States from the beginning through the nineteenth century belonged to the Romantic movement.

Though most of the poets of this period imitated European romanticism in dealing with distant lands in flowery language, James Whitcomb Riley, Henry C. Bunner, and Eugene Field among others gained popularity by their humorous verses about humble, everyday subjects. Sidney Lanier, adapting himself to the transitional régime, wrote poems of the South, and Joaquin Miller produced graphic verse dealing with the Western pioneers.

At the same time Emily Dickinson "was recording her quaint aphorisms in poems that were to be printed only after her death." Walt Whitman, however, is the outstanding poet of the time. "While he belonged to the romantics by virtue of" some of his qualities, "he unmistakably points forward at the same time to the sophisticated realism of our time . . ." which is simply "the application of the scientific spirit to art." Though he has been the subject of much controversy, he revealed the soul of the time in which he lived in his poems of the Civil War and his free-verse chants for democracy.

He and Mark Twain, humorist and novelist, have been regarded by the rest of the world as "distinctively American." Possibly this is because they were entirely different from European writers in their reactions to life and culture. One critic says, "After Mark Twain American literature was no longer confined to Boston and its environs; it was as wide as the continent itself." There sprang up during this period many other "local color" writers, who produced short stories chiefly and some verse. Among the first of these was Bret Harte, who wrote graphically of the rip-roaring days in California, though he had no real affection for the West and used it merely as a source of literary material. His success marks him as the real "parent of the modern form of the short story." Other local-color authors were George W. Cable, who interpreted the Creole life of New Orleans; Joel Chandler Harris, who immortalized "Uncle Remus" and the antebellum Negro; Eggleston, who wrote of Indiana; Hamlin Garland, who was beginning his analysis of the "Middle Border"; and Sarah O. Jewett and Mary E. Wilkins Freeman, who chose the quaint New England scene. Howells said of this period, "A great number of very good writers are striving to make each part of the country . . . known to all the other parts."

Besides Mark Twain two other novelists made notable contributions to American literature. Concerning them a modern scholar has written, "What actually prevailed then [during the eighties] was a sort of official realism, expounded by Howells and James and practised by most of the novelists of the decade at least in style and structure if not always in materials." Henry



James, the brother of William, the eminent psychologist who exerted a tremendous influence on philosophic thought, wrote brilliant psychological novels extolling European culture in contrast with American rawness. Though he considered himself a realist, he was, in fact, rather a romantic, who was in love with culture and idealized Europe; but he became so engrossed in manner of expression that he finally sacrificed story to style. William Dean Howells, on the other hand, pictured with success the average American in his normal life in the eastern section of the country. What he said of the writers of the time is true of himself: "Our novelists concern themselves with the more smiling aspects of life, which are the more American. . . . It is worth while . . . to be true to our well-to-do actualities." A recent critic has remarked of Howells, "His reticent realism maintained the favor of a large reading public and led the way to the thoroughgoing realism of today."

What is called America's greatest contribution to literature, the short story, came into perfection of form in the mid-eighties. "Compression, nervous rapidity of movement, sharpness of characterization, singleness of impression, culmination, *finesse*, these were the characteristics of the artists in this field," whether they exemplified humor, local color, realism, or naturalism. After Bret Harte and the early "local colorists," Frank Stockton, Ambrose Bierce, and Stephen Crane were some of the outstanding contributors to this type of literature.

This period seems to have had no dramatic significance; for while plays flourished, no playwright of merit appeared. "The names that stand out in stage history in these years are the names of controlling managers, like Lester Wallack and Augustin Daly, or of players, like Charlotte Cushman, Booth, Barrett, Jefferson, and Mansfield."

In general the literary contribution of this period is "realistic fiction; the authors, influenced often by Dickens, wrote about their own environments. But their stories were usually so humorous, so picturesque, so full of quaint dialect, that the readers regarded them not as realistic but as romantic — strange and attractive." The realism, almost without exception, was pleasant.

## AMERICAN JOURNALISM

Of inestimable significance among the intellectual forces underlying American history has been the press, which has played a large part in the political, social, and economic changes and reforms in the period since 1865. Since the broadening of American culture involved an increasing interest in human events of every kind, the newspapers and magazines were compelled to discard the old-fashioned dissertations in scholarly literary style for items selected not because of their intrinsic importance but because of their human appeal or sensational qualities. In a true sense the newspapers became a vehicle of popular opinion for the achievement of certain definite ends. Consequently the editorial page, which in the pre-Civil-War period had been the chief attraction of practically every newspaper, suffered a rapid decline because of the increasing interest in pure news items. Coincident with this development was the waning of the influence of single individuals, such as Horace Greeley in the *New York Tribune*, and the emergence of the newspaper as a business undertaking in the operation of which many individuals were co-workers. A factor in shaping the policies of many papers as well as in preventing the rise of any dominating personality with pronounced opinions was the growth of commercial advertising, on which the success of most newspapers was dependent. The last three decades of the nineteenth century saw also the appearance of the so-called "yellow press" and its rapid growth under brilliant leadership.

After the Civil War a crop of newspapermen came into prominence because of their "recklessly fresh, informal jocularity which was related to the old American humor, but a great departure from it." They drew their material from the life, the interests, and the dialect of the common people and giped at cultural insincerity. They wrote frequently under pen names like "Petroleum V. Nasby" (Locke), "Artemus Ward" (Browne), "Orpheus C. Kerr" (Newell), "Josh Billings" (Shaw), "Bill Arp" (Smith), and "M. Quad" (Lewis). This flood of humor, it has been said, really paved the way for Mark Twain and his distinctive novels.

Unquestionably both newspapers and magazines were responsible for bringing into prominence the works of many of the leading writers of poetry and prose in the period. The magazines in particular "furnished markets not only for innumerable short stories, but also for many serialized novels, biographies of Civil War generals, and reproductions of art." Howells said, "The success of American magazines . . . is nothing less than prodigious." These were produced to meet the tastes of certain classes, and tended to broaden the interests of the great body of the people.

#### THE GROWTH OF INTEREST IN ART AND MUSIC

Although the nation was hampered for years by the exigencies of life and Puritanic suppression, the development of business and education tended to create a demand for a more pleasing type of architecture and led eventually to an appreciation of art. The movement was greatly accelerated by liberal gifts from men of means for the foundation of museums, such as the Corcoran Art Gallery in Washington in 1869, the Boston Museum of Fine Arts in 1876, and the Metropolitan Museum in New York in 1879. Although the productions of American artists during the latter part of the nineteenth century were strongly influenced by classical traditions, the technical quality of the work of men like John Sargent and Edwin A. Abbey in painting and James McNeill Whistler in etching was of a high order. At the same time John La Farge, George Inness, and William Morris Hunt attempted to break away from the conservative tendencies of the orthodox school of artists and to portray in their work a greater measure of realism properly presented in its modern settings. Also worthy of mention were the achievements of Thomas Nast, Homer Davenport, Frederick Remington, Howard Chandler Christy, and others as cartoonists and illustrators for the magazines and newspapers of the period.

In the field of sculpture, as in art in general, a distinct tendency away from the classical traditions became evident. Indeed, before the end of the century a definite American artistic consciousness had been well established, and, with but few

exceptions, the sculptors were in harmony with the life about them. Especially stimulating to the growth of this particular branch of art was the erection of hundreds of public buildings and war memorials. The result was the appearance of a rather notable array of sculptors of recognized standing, among whom may be mentioned Augustus Saint-Gaudens, Daniel Chester French, George Grey Barnard, and Gutzon Borglum.

Of great significance in the creation of an interest on the part of the masses of the people in art in general was the increasing attention given to the subject in the public schools. As early as 1870 Massachusetts made drawing compulsory in her schools, and before the end of the century every state had at least one normal school offering instruction in the fine and industrial arts. Meanwhile, through the teachers thus trained school children were being taught the rudiments of appreciation of art.

In music the same economic and imitative factors that were powerful in the other fine arts exerted a still stronger pressure. In the past the fact that the native American stock appeared sadly lacking in musical genius, together with the decided disfavor with which the Puritans looked upon all music and musical instruments, retarded development of interest in this subject. In many places public performances of music were expressly prohibited by law. Consequently the nineteenth century was well advanced before any considerable progress was made in music, and then it came largely through the influences of foreigners. With the single exception of the Philharmonic Orchestra in New York, which was founded in 1842, all the great orchestras of today were organized after 1880. In music as in the other arts riches provided patronage and endowment, and the prosperous middle class a wide market. Through the generosity and interest of Henry L. Higginson, a wealthy banker, who believed that good music could be made sufficiently popular to pay for itself ultimately, the Boston Symphony Orchestra was organized in 1881. Two years later the Metropolitan Opera House of New York City, the most pretentious enterprise in American musical circles, was erected from public donations; and within seven years similar organizations on a smaller scale were established in like manner in Chicago, Philadelphia, Pitts-

burgh, Cincinnati, San Francisco, Los Angeles, and many other cities. In some instances handsome endowments were provided for free concerts, and in others money was supplied by the municipalities out of funds obtained from taxation.

The importance of giving the youth of the land an appreciation of music was realized gradually, with the result that public schools began to include the subject in the list of required studies, and musical instruments of one kind or another found their way into the homes of practically all middle-class families. At the same time many excellent conservatories of music were established either independently or in connection with the colleges and universities. During their early stages musical organizations in the United States leaned heavily on European guidance. The immense American market for teachers, conductors, and directors drew to this side of the Atlantic many of the leading artists of voice and instrument. As a matter of fact all the foremost American orchestras as well as opera companies have been compelled to rely largely on European musicians even to this day. Within recent years, however, American performers and composers have won the applause of both hemispheres. Interest has been aroused also in collecting and preserving American folk songs, ballads, and dances. Thus in music, as in the other arts, American development after the Civil War not only attained some distinction but showed unmistakable signs of a pronounced advance in the future. Meanwhile much valuable work had been accomplished in educating the public to both an appreciation of art and music and a willingness to make the necessary financial sacrifices for its attainment.

### THE SCIENTIFIC REVOLUTION

The fact that the steady growth of American culture during the years following the Civil War went hand in hand with the industrialization of the country and the gradual elevation of standards of living was made possible in large measure by the unprecedented activity in the field of scientific invention. No previous age had given to mankind so many epoch-making discoveries as this or had wrought such a complete transformation

in the economic and social life of the people of the world. In this, as in every other form of human endeavor, the United States profited greatly by the work of European scientists. Especially was this true in the advances in medicine and surgery, by means of which the average span of life was lengthened by nearly a score of years. Chief in importance in this field was the work of Pasteur in bacteriology resulting in the inoculations of serums against devastating plagues. Supplementary to this work was that of Lister, whose use of antiseptics in surgery overcame the horror of blood-poisoning. Later Crookes and Roentgen produced the X-ray apparatus, of inestimable value in surgery, medicine, and dentistry; and Professor and Madame Curie, through the perfection of means of using radium, opened a new era in physics and medicine. These basic discoveries were immediately utilized in America, where by further study their application was greatly extended. Indeed, many scientific contributions of recognized merit were made by Americans. Among these were the works of Lewis H. Morgan in ethnology, of Benjamin O. Peirce in mathematics, of Josiah Willard Gibbs in physics, of Wolcott Gibbs in chemistry, of Simon Newcomb in astronomy, and of Louis Agassiz and Asa Gray in natural history and botany respectively.

While remarkable achievements were being attained in the fields of medicine, surgery, and pure science, equal progress was being made in the realm of applied science. Indeed, the traditional capacity of the American for invention and mechanical improvements displayed itself to greater advantage than ever before. The mere mention of a few of the inventions will illustrate the extent to which American life and industry were revolutionized within a brief space of time. In 1872 Thomas Edison perfected the duplex telegraph, in 1876 Alexander Bell produced the first telephone, and in the late seventies the practical possibilities of electricity were demonstrated through the inventions of Charles Bush, Peter Cooper Hewitt, Charles P. Steinmetz, Thomas Edison, and others. Chief among these were the invention of the gasoline-driven wagon in 1879, the incandescent electric light in the same year, and the first electrically propelled railway in 1880. In 1868 the Sholes typewriter was first put

into use, in 1869 Westinghouse took out the initial patent for the railway air brake, in 1875 G. F. Swift built the first refrigerator car, in 1877 Edison patented the phonograph, and in 1886 Mergenthaler completed his linotype machine. These and thousands of other inventions have so completely altered the manner of life, the habits, and the customs of the people that their significance can be appreciated fully only by a detailed comparison of conditions today with those of sixty years ago.

One important development resulting from the close dependence of modern business on science was the deliberate promotion of systematic inquiry and discovery. As early as 1876 Edison established a laboratory at Menlo Park, New Jersey, where he assembled a body of experts and began to create projects on a wholesale scale. Later many large business concerns ceased to rely on sporadic "outcroppings of genius" and organized the work of invention in regular departments under the leadership of well-trained and well-paid scientists.

This demand for experts in the field of science called for a type of collegiate training which only technical schools could supply; hence education was given an impetus to meet the need. In 1862 the Morrill Act, providing a plan for the promotion of industrial and mechanical education, furnished a beginning; and a considerable number of purely technical institutions sprang up from funds obtained from private gifts (pp. 268 f.). The fact that technical training became a fundamental part of the American system of education was owing partly to this predominance of practical considerations acting as a stimulus to the popularization of science. The scientific courses in the colleges and universities multiplied rapidly, societies for the promotion of science flourished, and scientific magazines and books designed to make clear the mysteries of advanced research developed in the public a wide interest in the subject.

### RELIGIOUS TENDENCIES

It would be difficult to overemphasize the importance of the influence of scientific advancement on the religious denominations of the country during the twenty-five years from 1865 to

1890. Indeed, many of the accepted creeds of the period were out of harmony with the new economic and scientific order. Although the beginning of the conflict between religion and science cannot be determined with definiteness, the agitation became acute soon after the publication of Charles Darwin's *Origin of Species* in 1859. This work expounded the theory that man was the result of an evolutionary process of development extending over many thousand years. At the same time geologists, botanists, astronomers, and anthropologists were applying the same principles of evolution to their respective fields. Many clergymen concluded that science therefore relegated the Bible to a position of mere fiction and discarded the basic principles underlying all religions as false. Consequently the pulpit and the press vigorously attacked these ideas as atheistic and branded those who advocated them as despicable enemies of mankind. The scientific scholars, nevertheless, gained a formidable following among the educated classes, even making substantial inroads on the ranks of the clergy itself. Expounders of both the old and the new theories arose in every community, and in not a few instances the feeling became so intense that both ministers and communicants were tried for heresy by their respective religious organizations.

Coincident with the development of this contest between science and religion was the assault upon the textual validity of the Bible by a group of Biblical scholars in what came to be known as "higher criticism." Treating the Bible as a historical and literary document, they subjected it to a painstaking examination in the light of modern knowledge and scientific discoveries. Though most critics did not contest the fundamental principles of religion as embodied in the Bible itself, they interpreted the book in a new light and denied the accuracy of many of the individual passages. Thus they brought upon themselves a great deal of opposition.

In the factionalism and religious uncertainty of these controversies religious groups showed a distinct tendency to divide, and many new orders were established. Prominent among these was the Christian Science Church, founded by Mrs. Mary Baker Eddy on the old philosophy of the superiority of mind



over matter. "Nothing possesses reality or existence except the Divine Mind and His ideas," she declared. Sin, sickness, and death, according to her creed, were abnormalities of the "carnal mind," and she proposed to substitute for the medicaments of physicians spiritual healing administered by specially trained "practitioners." So rapidly did these ideas appeal to the people, especially to the prosperous middle class, that by the end of the century the Christian Science Church had won a place as one of the important religious denominations of the country.

The latter half of the nineteenth century witnessed also a striking alteration of the duties and responsibilities of the church as an institution. The clergy began to discard the abstract theological discussions for more practical messages, in which they attempted to make religion a real factor in the present life of the people. The idea of service gained a place of equal importance with the strict adherence to orthodox beliefs. The result was the establishment in the congested areas of large cities of many so-called institutional and settlement churches, which made boys' and girls' clubs, dispensaries, and recreational activities features of their work. Another manifestation of the religious trend of the times was the founding of such organizations as the Young Men's Christian Association, the Young People's Society of Christian Endeavor, and the Salvation Army, which combined social and religious purposes. These bodies, whose total membership amounted to millions before the end of the century, supplemented the work of the churches to meet the physical and intellectual as well as the spiritual needs of the people.

Despite the schismatic tendency of the period, the membership of practically every religious denomination increased faster in proportion than the population of the country. Especially noteworthy was the growth of the Roman Catholic Church, which during the eighties and nineties received large accessions from the incoming of millions of immigrants from the Catholic countries of eastern and southern Europe.

## CHAPTER XIII

### THE POPULIST MOVEMENT

#### THE FAR WEST

The last quarter of the nineteenth century witnessed a remarkable development of the West and its rise to an important position in American politics. Regardless of the fact that after the admission to statehood of Nebraska in 1867 only one state (Colorado in 1876) entered the Union before 1889, the population of the region increased by leaps and bounds, railroads were pushing into the interior, and the resources were being exploited. The eight territorial governments, which in most instances were formed during and immediately after the Civil War, — namely, Dakota, Montana, Idaho, Wyoming, Utah, Arizona, New Mexico, and the unorganized Indian territory, — comprised an area of 938,015 square miles, or nearly one third of continental United States. In this extensive region a white population of 150,000 in 1860 advanced with the opening of the country to 606,810 in 1880 and to more than 1,600,000 in 1890. In the states of Kansas, Nebraska, and Colorado, where conditions were not dissimilar to those that prevailed in the territories, the population increased during the same period from 170,324 to 2,904,013.

That statehood was denied the eight territories for such a long period when their population appeared to justify it was owing largely to political rivalry at Washington, although it must be recognized that the settled sections of a territory were often so far apart and their common interests so limited that many problems existed to threaten the prosperity of an independent state. Furthermore, the general lawlessness of the mining camps and railroad towns, which Bret Harte and Mark Twain turned to literary uses, gave the region an unsavory notoriety. Such, however, was the political situation at Wash-

ington from 1874 to 1889, with the exception of two years, that neither the Republican nor the Democratic party was in control of both Houses of Congress and of the presidency. Indeed, lines were so closely drawn that each party feared to approve a proposal for statehood made by its rival lest its success in any election might hinge on the vote of the state in question. This actually happened in 1876, when a Democratic House gave its sanction to the admission of Colorado, which in the fall elections of that year cast its three electoral votes for Hayes. Had this not been the case Tilden would have been elected, and the most bitter controversy over an election in the history of the country would have been avoided. In spite of the partisan blockade, however, the individual territories, particularly after 1880, presented their respective petitions for admission to the Union before almost every session of Congress. The victory of the Republicans in 1888, which would place them in complete control of the national government the following year, caused the Democratic House to resolve to anticipate Republican action by the admission of a group of territories in a single enactment. The Republican Senate, however, struck off from the list New Mexico, in which the Democrats were in the majority, and divided Dakota. In this form the measure passed Congress and received the signature of President Cleveland (1889). The states included in this "Omnibus Bill," as it was called, were North and South Dakota, Montana, and Washington. The following year Idaho and Wyoming were made states. These six new states proved a boon to the Republicans, whose majorities in both the Senate and the House were very small, since all their congressmen except one usually voted with that party.

Of the three remaining organized territories — New Mexico, Arizona, and Utah — the last had completed forty years of territorial life and had a population of 207,905 in 1890. As has been seen, it was not granted statehood till 1896. The other two, in both of which development was somewhat belated, were compelled to wait until the year 1912 for the recognition of their respective petitions.

The district commonly known as Indian Territory, located

west of Arkansas between Kansas and Texas and comprising an area of seventy thousand square miles, was the only remaining region embraced in the Federal domain without a territorial form of government. In 1890 it represented what was left of the land set apart by the Indian Intercourse Act of 1834 as a permanent home for the Indians, an arrangement which for many reasons had never been entirely satisfactory to either the Indians or the government. As a matter of fact, since Federal law operated in only a limited way within its borders and since the tribes had no jurisdiction over white intruders, this section became a refuge for lawless individuals and fugitives from justice. Naturally, as the area of free land lessened, these fertile plains became an object of envy. A demand arose eventually for the opening to white settlement of those portions which were not actually occupied or needed by the Indians. Meanwhile, because of their adherence to the Confederacy in the Civil War, the five civilized tribes, who lived in the eastern part of the territory, were deprived of their western lands, much of which was reallocated later to Indians moved in from the plains. At the same time cattlemen, who were permitted to lease grazing rights from the tribes who owned them, occupied vast stretches of country, and during the seventies and eighties squatters appeared in increasing numbers, regardless of the fact that annual ejections were made by Federal troops. The operation of the Dawes Act of 1887, by which Indian tribal lands might be divided among the individual Indians and the surplus sold to the government to be added to the public domain, brought a large section of the northern and eastern part of the region under Federal authority. Hence in 1889 a portion of the land thus acquired was thrown open to settlement, and the following year it was given a territorial form of government with the name of "Oklahoma." By 1900 its population had grown to 398,331, while the remainder of the territory, which continued to be called the Indian Territory, boasted of 392,060, most of whom were Indians. With the rapid admission of Indians to citizenship and the breaking up of the tribal governments within the territory under the operation of the Dawes Act of 1887 and the Burke Act of 1906,

the two territories joined hands and in 1907 entered the Union as the state of Oklahoma.<sup>1</sup>

After the admission to statehood of six territories in 1889 and 1890 the West assumed a place in the Union out of all proportion to its population and its economic importance. The ten states lying west of Texas, Kansas, and Nebraska had in 1890 a combined population of only 3,163,125, and the three territories of Utah, New Mexico, and Arizona, of 427,125. Thus with a population less than that of Illinois or Ohio and slightly more than half that of New York the ten states sent twenty men to the United States Senate, while New York, Illinois, and Ohio elected two each. The numerical strength of this section in the government was augmented further by that of the two tiers of states immediately to the west of the Mississippi River, which on most political questions joined forces with their neighbors of the plains and the mountains. Indeed, since the entire western region had many things in common, the states showed a tendency with the passing of time to cast aside all political ties and to act as a unit in the consideration of national problems. The newness of the country and the uncertainty of the economic forces on which their prosperity depended made of them a disgruntled group. With surprising unanimity they came to fear and to hate the moneyed interests of the East, which in their judgment exercised a dominating influence over the national government. They viewed trusts and large industrial and

<sup>1</sup> The following table shows the development of the Far West since 1860

STATE	MADE A TERRITORY	MADE A STATE	1860	1880	1900	1920	1930
Utah . . .	1850	1896	40,273	143,963	207,905	449,396	507,847
Nevada . . .	1861	1864	6,875	62,266	42,355	77,407	91,058
Colorado . . .	1861	1876	34,277	194,327	539,700	939,629	1,035,701
Arizona . . .	1863	1912		40,440	122,931	334,162	435,573
Idaho . . . .	1863	1890		32,610	161,772	431,866	445,032
Montana . . .	1864	1889		39,159	243,329	548,889	537,606
Wyoming . . .	1868	1890		20,789	92,531	194,402	225,565
New Mexico . .	1850	1912	93,512	119,565	195,310	360,350	423,317
Dakota . . .	1861			135,177			
North Dakota		1889			319,146	646,872	680,845
South Dakota		1889			401,570	636,547	692,849
Oklahoma . . .	1890	1907			790,301	2,028,283	2,396,040

commercial establishments alike as agencies that boded ill for their section, and resolved to fight them at every turn. Thus, as has been seen in connection with the passage of the Sherman Silver Act, the Sherman Anti-Trust Act, and the McKinley tariff, the Western states forced the East to make extensive concessions to them. Moreover, not satisfied with the settlement of any one of the major political issues, they resolved to continue the struggle. Consequently their contentions were inextricably interwoven in the history of the next ten years.

The constitutions of the new Western states recorded the distrust which Americans in general and Westerners in particular were coming to feel toward their own governments. These documents approximated legislative codes rather than organic laws, and each of them placed numerous restrictions on the customary powers of the legislature. The granting of favors to corporations, railroads, and banks was carefully regulated or expressly forbidden. Manhood suffrage was adopted without reservation, and one state, Wyoming, extended the privilege to women. Other governmental innovations which to the conservative Easterners seemed radical and even revolutionary were incorporated into their fundamental law. Thenceforth the voice of the West, which had attained full growth, was to be heard in the councils of the nation.

### THE PLIGHT OF THE FARMER

Though the rapid settlement of the West during the latter half of the nineteenth century opened up agricultural and mineral resources and furnished homes for hundreds of thousands of people, it brought as a consequence many serious economic problems, the early phases of which have been discussed in connection with the Antimonopoly and Granger movements of the sixties and seventies (pp. 137-141). The restoration of prosperity between 1878 and 1880, which allayed agrarian discontent, was soon found to be of only temporary benefit to the farmer. Indeed, with the exception of two or three brief periods when the foreign demand for American agricultural products was increased because of crop failures abroad, the farmer's lot tended to grow worse rather than better. Consequently with

the passing of time the agricultural groups united their forces in various organizations in a determined effort to remedy their economic ills and to bring permanent prosperity to their class.

The question of how best to attain these ends was complicated, because it involved not only agriculture but other industries in the United States and in the rest of the world as well. Although the conditions under which the farmer lived and worked were immensely superior to what they had been, he owed less to the industrialization of business than the craftsman and the artisan in the cities. Indeed, the census reports of 1850 and 1890 revealed an increase in the rural wealth of the United States from \$4,000,000,000 to nearly \$16,000,000,000; but it showed also in contrast that the urban wealth during the same period had grown from \$3,000,000,000 to more than \$49,000,000,000, while the percentage of capital invested in agriculture had decreased to less than half what it was at the middle of the century. Nevertheless the farmers of the country were able to supply more than the demand for agricultural produce. As a matter of fact, large annual crops, made possible by the opening up of millions of acres of land in the West, the increased production of cereals outside the United States, the use of labor-saving machinery, and the improvement of means of transportation were largely responsible for the low prices for which the farmer was forced to sell his produce. Everywhere there was being thrown on the market more food than could be absorbed immediately. From 1883 to 1889, inclusive, the average price of wheat was only seventy-three cents a bushel, of corn thirty-six, and of oats twenty-eight. Cotton stood at nearly eleven cents a pound during the eighties; but wool, which in 1864 brought more than a dollar a pound, declined to thirty-three cents. Between 1885 and 1890 the corn crop alone declined in value over \$70,000,000, though the total yield in bushels had actually increased. In many places it could not be sold with profit and consequently was used as fuel. Though there was a decline in prices in general during the period, the farmer was at a decided disadvantage compared with the manufacturer. The latter, if need be, could store his output or reduce costs by shutting down his establishment, but the farmer was

forced to market his crops for what he could get for them, since he lacked adequate facilities for storage.

Added to these troubles of the farmer was his indebtedness, which tended to increase rather than decrease because of the inadequacy of the income derived from agriculture. In 1888 the state bureau of statistics in Ohio reported 291,640 mortgages amounting to \$330,909,000, or more than a fourth of the total valuation of agricultural lands. At the same time nearly 60 per cent of the taxed acreage in Kansas, 55 per cent in Nebraska, and 47 per cent in Iowa were under mortgage. The interest rate of 8 per cent or more remained stationary, however, and in case of renewals exorbitant commissions were charged. Meanwhile every community witnessed a succession of foreclosures, which struck fear to the hearts of the people and intensified their hatred of the moneyed interests, on whom they were dependent.

Even more burdensome than the farm mortgage was the tax system, which then, as today, placed the bulk of the state, county, and local taxes on real estate. Indeed, in Kansas this form of tax supplied 93.94 per cent of the state revenue, and in the country as a whole it averaged 90.01 per cent. Not only was farm land assessed at a higher rate than the property of the business man or the corporation, but it could not be withheld from the view of the inexorable tax-assessor like some other forms of property. The farmer placed considerable blame also for his economic distress on the excessive prices charged for freight rates, for storage in the grain elevators, and for farm machinery and other products which he was forced to purchase. As already noted, these considerations played an important part in the Anti-monopoly movement of the sixties and seventies. Though some of the most glaring abuses were remedied at that time, many of them continued until near the end of the century. Closely allied with these troublesome factors was the speculation in farm products, notably wheat, corn, and meats, by which fortunes were accumulated at the expense of agriculture. Everywhere the exchanges were branded as dens of thieves and those who frequented them as gamblers and criminals of the worst kind.

Thus low prices for produce, exorbitant freight rates, the rapacity of the intermediaries between the producer and the



consumer, an inequitable tax system, and farm mortgages with the prevailing high rate of interest constituted the grievances of the farmer during the eighties and nineties. Though all sorts of remedies were discussed, public sentiment, as in the seventies, appeared to be that the cure for most of the ills of agriculture was the issuance of more money. Indeed, an inflation of the currency would obviously be a temporary benefit to the debtors, who included a surprisingly large number of farmers. Since the purchasing power of money would be lower, the debtor would receive more in dollars and cents, with which he could meet his obligations. To be sure, he would be forced to pay a higher price for his own purchases, but as his wants were then fairly simple the balance would work to his credit. It was easy, therefore, for the farmer to join hands with the silver-mining interests of the West in a movement for the free and unlimited coinage of silver. The plight of the two groups was not dissimilar, since production in excess of the normal demand had caused a decline in prices.

Out of these immediate conditions and the inherited discontent arising from fundamental economic disorders developed the Farmers' Alliance movement of the eighties and the Populist movement of the nineties.

### THE FARMERS' ALLIANCE

The decade of the eighties, the political history of which has been discussed in previous chapters, was characterized by the development of independent parties of protest. Though these organizations differed in many respects, they all demanded a more equitable distribution of the mounting wealth of the country and the passage of legislation designed to remedy the oppressive conditions under which the farmer and the laborer worked. Indeed, the Alliance movement, which succeeded the Granger movement, developed spontaneously from the farmers' continuing consciousness of their problems. There was not a distinct break in the time, however, between the decline of the latter and the development of the former organization. For a time they both existed simultaneously, and many members of both affiliated with the Greenback party and other minor politi-

cal parties of the late seventies and early eighties. The new movement for agricultural organization, however, differed from the earlier in that it sprang from the soil, as it were, instead of being deliberately brought into existence by a group of founders. As early as 1874 or 1875 farmers' clubs or alliances began to appear in Texas, and by 1886 their number had grown to nearly three thousand, most of which had been affiliated in the Grand State Alliance. From the beginning the social aspect of these organizations was prominent. Women were admitted to full membership and Negroes were excluded. In time coöperation was attempted in a limited way through the establishment of stores, cotton yards, a state exchange, and trade agreements with dealers. These experiments were no more successful than were those of the Grange during the seventies. In 1887 the Grand State Alliance of Texas came under the influence of C. W. Macune, a man with a striking personality and rare ability as an organizer. Macune at once started a program of expansion throughout the cotton belt, with the result that before the end of the year the National Farmers' Alliance and Coöperative Union of America had been established with local branches scattered throughout nine of the Southern states. Among the "demands" adopted at its convention in the fall of 1887 were the reduction of the tariff to a revenue basis, a graduated income tax, restriction of immigration, the direct election of United States senators, laws to "prevent the dealing in futures of all agricultural products," full taxation of railroad property, the rapid retirement of the public debt, the establishment of a national bureau of labor statistics, an interstate-commerce law, and the issuance of legal-tender notes on a per capita basis and their gradual substitution for bank notes.

By 1888 the National Farmers' Alliance boasted 10,000 locals in sixteen states and a membership of 400,000. Meanwhile it had come into contact in the states of the Southwest with a similar organization, the National Agricultural Wheel, which in turn claimed a membership of 500,000. Since the two Alliances were almost identical in objectives, they effected a union in December, 1888, under the name of "The Farmers' and Laborers' Union of America."

Simultaneous with these developments in the South was the formation of the National Farmers' Alliance, or the Northwestern Alliance, as it was commonly called. As early as 1880 some five hundred delegates from local alliances, granges, and farmers' clubs met at Chicago and perfected a national organization with the avowed purpose of uniting the "farmers of the United States for their protection against class legislation, and the encroachments of concentrated capital and the tyranny of monopoly, . . . to oppose, in our respective political parties, the election of any candidate to office, state or national, who is not thoroughly in sympathy with the farmers' interests; to demand that the existing political parties shall nominate farmers, or those who are in sympathy with them, for all offices within the gift of the people; and to do everything in a legitimate manner that may serve to benefit the producer." The working platform adopted the following year was not dissimilar to that of the National Farmers' Alliance. Its denunciation of the "combination and consolidation of railroad capital . . . in the maintenance of an oppressive and tyrannical transportation system" indicated a continuance of the vigorous campaign of the preceding decade against the railroads.<sup>1</sup>

Though the Northwestern Alliance did not embark on co-operative undertakings to the extent that its Southern contemporaries did, it was far more active in the field of politics. Instead of forming a distinct party, however, it chose to exert its influence by submitting its platform to all candidates for elective offices and by voting as a unit against those who refused to subscribe publicly to its principles. By 1887 the political outlook of the order had been enlarged so as to include planks favoring the free coinage of silver and the issuance of "all paper money direct to the people," governmental ownership of the telegraph, the improvement of waterways, and restriction of the liquor traffic, and to advance the suggestion that a probable solution of the problem of the railroads might be their ownership and operation by the government.

<sup>1</sup> The Northwestern Alliance was composed of a network of societies with their main strength west of Pennsylvania. They were especially numerous in Kansas, Nebraska, Minnesota, and Wisconsin.

The movement for the organization of the farmers of the country reached its peak about 1889. Though there was from the beginning much rivalry between the Northern and Southern orders, particularly among their leaders, nevertheless an attempt was made to bring about not only a national union of all the Alliances but a fusion with the laborers through the Knights of Labor and with the silver-mining interests. Indeed, a very close association among the alliances of the West had existed all the time. Since the Knights of Labor were largely discredited in the East, particularly after the disturbances of 1886, their leaders then sought to cast in their lot with the discontented farmers of the West. The result of their efforts is evident in the numerous planks in the interest of labor that were inserted in the platforms of the various Alliances. The silverites, who, as has been seen, held the balance of power in Congress in 1890, were instrumental in bringing about the passage of the Sherman Silver Act and in inducing the various Alliances to favor free silver as a major feature of their own program. As a matter of fact the leaders of the Farmers' Alliances met the miners in a joint conference in St. Louis in 1889 and formally espoused the cause of free coinage. As this object ultimately overshadowed their other plans for reform, it brought about the downfall of the organization. In December of the same year a second convention of delegates from the Northern and Southern orders was held in St. Louis for the purpose of perfecting a national union of farmers and laborers, but local differences which they were unable to reconcile defeated their purposes. Because of the race problem Southerners hesitated to embark on any political program that might divide the white population. They had found that they could get excellent results by exerting pressure in the Democratic primaries. Indeed, in 1890 the South sent to Congress forty-four representatives and one senator indorsed by the Alliance. The Alliance gained control also of the Democratic conventions in Georgia, North Carolina, South Carolina, and Florida, and wrote its principles into the party's platforms. In South Carolina, Benjamin Tillman, a vigorous opponent of the ruling aristocracy of the state, was elected governor with an unprecedented majority on a farmer-and-labor

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ticket, and victories of less consequence were won in other Southern states. At the same time the Western Alliances in particular had lost all faith in the old political parties and favored the creation of an independent party.

Meanwhile signs of the approaching dissolution of the Southern Alliance were manifesting themselves. The order was poorly led, and the finances were so badly managed that the treasurer's report showed a large deficit. Dissensions became more numerous as many of the coöperative ventures failed. The result was a rapid decline of the order after the political campaign of 1890. Though the Northwestern Alliance lingered for a few years, it too gradually lost its identity in the new political party with which it had affiliated. Meanwhile both in the North and in the South the interest had shifted to a large extent from social and economic to political considerations.

### THE PEOPLE'S PARTY

In many respects the Alliance movement, with its hundreds of thousands of members and its multiplicity of economic and political activities, had failed to improve, to any appreciable extent, the plight of the farmer, a fact which became increasingly evident to the farmers themselves. The market continued to be glutted with surplus crops, and a steady decline in prices followed. The scarcity of money became painful; foreclosures followed each other in rapid succession; and the rate of interest, with its accompanying commissions, tended to increase rather than to decrease. At the same time the farmers were losing all hope of obtaining relief from either the Democratic or the Republican party, and the faith which in many instances they had placed in individual politicians was rudely shattered when campaign promises were forgotten. To be sure, a third party of some kind had been in the field throughout the eighties; but neither the Greenback nor the Union Labor party, which succeeded it, made any great headway, though both made an attempt to unite the farmers and the laborers. Alson J. Streeter, an ex-president of the Northwestern Alliance, became the presidential candidate on the Union Labor ticket in 1888,

but he received only 146,935 votes. Though the inability of Streeter and his partisans to win the support of the farmers was discouraging, the farmers in many sections of the country were acting independently. New parties appeared in various Western states, and in the election of 1890 these sent eight congressmen and two senators to Washington and elected large delegations to the legislatures of Kansas, Nebraska, Indiana, Illinois, Michigan, Minnesota, Colorado, and the Dakotas. In many other states the farmers' organizations were assuming all the functions of political parties except the nomination of candidates.

Though these results were most encouraging to the discontented farmers, they caused serious apprehension among the leaders of the old parties. The indifferent attitude which they had assumed toward the "calamity howlers" and "political rainmakers" gave way to a frank acknowledgment that a "third-party movement might materialize into something more than talk." Indeed, the great Democratic victory of 1890, which wiped out the Republican majority in the lower House, was due largely to dissensions in the Republican ranks caused by the Alliances and to the conditions on which the Alliances were based. Since the leadership of the Democratic party was largely Eastern and more or less hostile to the program of the farmers, the affiliation of the Alliances with the Democratic party was more in the nature of a protest against existing conditions than a permanent union. Indeed, the events of 1890 constituted a veritable political and social upheaval in the West. In the words of one sympathetic commentator, "It was a religious revival, a crusade, a pentecost of politics in which a tongue of flame sat upon every man, and each spake as the spirit gave him utterance."

Under these conditions the fusion went forward with rapidity. In a series of conventions composed of representatives of the various Alliances and the Knights of Labor held in 1890, considerable progress was made toward the formulation of a unified program of action, and in May, 1891, some fourteen hundred delegates assembled at Cincinnati for the express purpose of organizing a third party. Under the leadership of Ignatius Donnelly of Minnesota and General James B. Weaver a new party was launched called the People's party, although the

term "Populist" was frequently applied both officially and unofficially to the new organization. The Democratic Alliances in the South tried to prevent this action, but the enthusiasm with which the leaders of the convention were greeted upon their return to their homes demonstrated the importance of the movement. After making provisions for the establishment of the regular party machinery, the convention invited "all progressive organizations" to meet in conference early in 1892 for the nomination of a presidential candidate.<sup>1</sup>

The national nominating convention assembled at Omaha, Nebraska, in July, 1892. The platform adopted was characterized at the time by one unsympathetic observer as "that furious and hysterical arraignment of present times, that incoherent intermingling of Jeremiah and Bellamy." After declaring that "the union of the labor forces of the United States this day consummated shall be permanent and perpetual" and that "wealth belongs to him who created it," the document entered on a denunciation of existing conditions. "Corruption," it said, "dominates the ballot box, the legislature, the Congress, and touches even the ermine of the bench. The people are demoralized; most of the States have been compelled to isolate the voters at the polling-places to prevent universal intimidation or bribery. The newspapers are largely subsidized or muzzled; public opinion silenced; business prostrated; our homes covered with mortgages; labor impoverished; and the land concentrating in the hands of the capitalists. . . . The fruits of the toil of millions are boldly stolen to build up colossal fortunes for a few, unprecedented in the history of mankind; and the possessors of these, in turn, despise the republic and endanger liberty. From the same prolific womb of governmental injustice we breed the two great classes of tramps and millionaires." In their list of demands was the "free and unlimited coinage of silver and gold at the present legal ratio of sixteen to one," an increase in the circulating medium to the amount of fifty dollars per capita, a graduated income tax, the establishment of postal savings banks, and governmental ownership and operation of railroads

<sup>1</sup> At this time the Farmers' Alliances claimed a membership of between 2,000,000 and 3,000,000.

and telegraph and telephone systems. Other resolutions adopted but not embodied in the platform approved the eight-hour day, the reduction of taxation, the Australian ballot, the initiative and referendum, a single term for the president, and the popular election of United States senators.

In contrast to the unanimity of sentiment in the adoption of a platform were the serious dissensions that arose over the choice of a presidential candidate. Judge Walter Q. Gresham of Indiana, a Republican with a long and creditable political record, expressed his willingness to accept the nomination provided it came with the unanimous approval of the delegates. But this could not be obtained. A large group of delegates, representing generally the younger men, wished to select a man who had had little connection with the unsuccessful movements for a third party during the previous twenty years. They gave their support, accordingly, to Senator James H. Kyle of South Dakota. In the end, however, the more conservative element secured the nomination of General James B. Weaver, the veteran candidate of the Greenback party in 1880. General James G. Field of Virginia was nominated for vice president.

### REPUBLICAN DISSENSIONS

While the farmers' movement was crystallizing into a great national political party, the administration of Harrison was running an uneventful course. To be sure, its hands were tied after March 4, 1891, by a Democratic House; but the vigor of the Republican leadership appeared to have spent itself in the enactment of the legislative program of the previous session of Congress. Nevertheless both the private and the official conduct of the President was marked by complacency. In his optimistic message to Congress in December, 1891, he expressed his happiness over "many evidences of the increased unification of the people and of the revived national spirit." "The vista that now opens to us," he continued, "is wider and more glorious than before. Gratification and amazement struggle for supremacy as we contemplate the population, wealth, and moral strength of the country."



In spite of his composure the country was on the verge of one of the most disastrous financial panics in its history, and his own party was torn with dissensions on the very eve of a presidential election. Quay of Pennsylvania and Platt of New York, both men of exceptional leadership and political influence, were hostile to Harrison personally because of his unwillingness to accord them greater freedom in dispensing patronage, and ex-Speaker Reed also had been alienated. Of even more significance to the Republican party at this time were the strained relations that had developed between the President and his Secretary of State, Blaine; indeed, from the beginning of the administration the two men had displayed a growing lack of confidence in each other. During the last year of his term Blaine was by no means a well man, and the work of the State Department devolved upon the President. Harrison, according to his own statement, "prepared every important official document," the "originals" of which were in his "own handwriting." Nevertheless his Secretary took "all the credit to himself," without any "acknowledgment" or "show of appreciation."

Harrison himself, however, was not free from criticism. Not only was he jealous of his Secretary of State, but he was so brusque, abrupt, and cold in manner that the two men could have little in common. According to a contemporary "he was probably the most unsatisfactory President we ever had in the White House to those who must necessarily come into personal contact with him." Furthermore, though he came into office under the tutelage of the party organization, he steadfastly refused to sacrifice his own judgment to its wishes. At the same time he made numerous unwise appointments, among which were "Corporal" Tanner to the Pension Office and J. S. Clarkson as Assistant Postmaster-General. The latter boasted that in less than a year in office "I have changed 31,000 out of 55,000 fourth-class postmasters and I expect to change 10,000 more before I quit. . . . Then I can paraphrase old Simeon," he continued, "and say, 'Let thy servant depart in peace.'"

Nevertheless, in spite of his unpopularity in his own party and throughout the country, Harrison was the logical candidate for renomination in 1892. Indeed, the selection of anyone else

would have been nothing short of a repudiation of the party itself. Furthermore, so effective was the President's control of party machinery through the use of patronage that it was difficult to prevent his renomination. Quay, Platt, Clarkson, and others of Harrison's enemies, however, resolved to attempt it by fixing their hope on Blaine. Blaine, physically weak and mentally exhausted, did not wish to embark on another political campaign; but after resisting their overtures for many weeks he curtly resigned from the cabinet three days before the meeting of the Republican convention. Though his friends made a determined effort to rally the delegates to his support, the odds against him were too great. Harrison received the nomination on the first ballot with 535 votes to 182 votes each for Blaine and McKinley.

#### THE DEMOCRATIC NATIONAL CONVENTION

Meanwhile the campaign for the nomination of Democratic candidates had got well under way. Notwithstanding his defeat in 1888 and the hostility of such influential Democrats as David B. Hill of New York, Senator Palmer of Illinois, and Senator Gorman of Maryland, Cleveland was unquestionably the most popular man in the party, and after 1890, when the tariff loomed as the major political question, the demand for his renomination steadily gained strength. To be sure, his independent conduct in office, his honesty, and his willingness to sacrifice what some considered the interests of the party for those of his country had caused the old-line leaders to fear him and to endeavor to eliminate him from all party affairs. Indeed, his return to the practice of law and his apparent unwillingness to engage in politics seemed to indicate that the much-desired end would be attained. In the words of Henry Watterson of the *Louisville Courier Journal*, Cleveland's absorption into the host of New York lawyers would resemble "a stone thrown into a pond — a plunk, a splash, and then silence." Nevertheless, on the numerous occasions when Cleveland was called on to deliver addresses, he expressed himself so forcefully that his ideas were discussed in the press throughout the land. Early

in 1891, when his friends were making plans for his renomination and when the free-silver West was more active than ever, he came out openly against the "dangerous and reckless experiment of free, unlimited, and independent silver coinage." While this statement won applause among the friends of gold, it brought forth a burst of denunciation from the silver men, who were especially numerous in the Democratic party.

The most serious threat to Cleveland's leadership lay in the open hostility of Governor Hill and Tammany Hall in his own state. Hill had a record of seven successive political victories, the last of which had placed him in the United States Senate; but because of his shiftiness in his effort to maintain control of the "machine" in New York he had made many enemies within the state, and his dependence on Tammany Hall had discredited him elsewhere. Nevertheless he aspired to the presidency. Early in 1892, on the advice of Palmer, Gorman, and other Democratic leaders who wished to eliminate Cleveland from the campaign, a "snap convention" was held in New York which pledged its delegates to vote for Hill. This action, however, appeared to have little influence on the campaign elsewhere. Indeed, by the middle of May twenty-four out of thirty-five state and territorial conventions had instructed their delegates for Cleveland. Thus when the national convention met on June 21 the result was a foregone conclusion. Although ten other candidates were presented to the convention and received votes, Cleveland obtained the necessary two-thirds majority on the first ballot and accordingly was declared elected. The vice-presidential nomination went to Adlai E. Stevenson of Illinois, a stand-pat politician and an advocate of the free and unlimited coinage of silver.

#### THE PRESIDENTIAL CAMPAIGN OF 1892

Although the platform of the People's party denounced the existing political system and contained new features, the platforms of the two great parties were, as usual, conservative and not essentially dissimilar except for the tariff. The Republicans placed their stamp of approval on the legislation of Harrison's

administration and congratulated the country on the "prosperity in the fields, workshops, and mines," while the Democrats condemned the Republican legislation as poorly drawn and inadequate, and flatly denied the existence of prosperous conditions. On the currency question each advocated the use of gold and silver and the maintenance of their parity by "appropriate legislation." For the first time in many years the Democrats adopted a clear-cut declaration against what the Republicans were prone to call "the American doctrine of protection," but they did so only after the usual straddling plank recommended by the platform committee had been rejected by the convention. They denounced a protective tariff as a fraud and a robbery of the majority of the American people for the benefit of the few. "We declare it to be a fundamental principle of the Democratic party," the document said, "that the federal government has no constitutional power to impose and collect tariff duties, except for purposes of revenue only." Cleveland, in his speech of acceptance, however, went out of the way to soften the effect of this drastic proposal. After assuring the public that no exterminating war would be waged against any American interest, he stated that "we contemplate a fair and careful distribution of necessary tariff burdens rather than the precipitation of free trade."

On the whole, the campaign was quiet, especially in the East, where the struggle was largely one between Cleveland and Harrison. As both men were well known to the public, personalities played little part in the canvassing.<sup>1</sup> Cleveland, to a greater extent than in his previous campaigns, attracted to his standard so many reformers and independents that the party was given the appearance of radicalism. As a matter of fact neither Cleveland nor Harrison was inclined toward radicalism; indeed, the business interests of the country would have been equally safe

<sup>1</sup> Both Harrison and Cleveland urged their partisan supporters to make the campaign one of issues rather than of personalities, and the candidates themselves strictly adhered to this principle. Cleveland on several occasions declined to make speeches because his chief rival was detained at the bedside of his sick wife. To one of his campaign managers Cleveland wrote, "I care more for principle than for the Presidency," and he added that he would "have the Presidency clean or not at all."

from drastic legislation under the presidency of either. The Populists, however, conducted a vigorous campaign. Though they attacked the two major parties as tools of the monopolistic interests, they made fusions with the Republicans in many parts of the South and with the Democrats in several of the Western states.

Of considerable influence in detracting votes from the Republican ticket was the prevalence of labor disturbances during the campaign. The most important of these was in the Carnegie steelworks at Homestead, on the Monongahela River near Pittsburgh, Pennsylvania. The trouble arose in the beginning over the reduction in wages of some three hundred and twenty-five men; but when their cause was taken up by the Union of American Steel and Iron Workers, it soon degenerated into a struggle for the recognition of the union. The establishment was closed, and the employment of non-union men to operate the plant was begun. When the dispossessed laborers showed signs of using force to prevent "scabs" from taking their positions, three hundred Pinkerton detectives were employed to protect the plant and the newly employed laborers. Upon their arrival they were attacked by a mob, with the result that before the end of the day the casualty list reached ten dead and more than sixty wounded. Rioting and violence continued until the entire militia of the state, numbering eight thousand men, arrived on the scene. Order was then restored, and the non-union men were permitted to take up their work. Since the Republicans were more closely identified with capital than their Democratic rivals, and since the steel and iron industry was one of the leading beneficiaries of the McKinley tariff, thousands of votes were lost to the Republican candidates because of this unfortunate incident. Indeed, the attempt to reduce wages in a large concern such as the Carnegie steelworks during a period of industrial prosperity caused men to doubt the soundness of the policy of protection.<sup>1</sup>

<sup>1</sup> Thousands of votes were turned from the Republicans also as a result of a religious controversy which grew out of the management of Indian affairs. It had been the policy of the government to intrust the education of Indian children to contract schools maintained by the churches. Though all denominations were placed on an

When the election returns were completed in November it was found that the Democrats had won a sweeping victory. Cleveland obtained 277 electoral votes to 145 for Harrison and 22 for Weaver. He lacked more than 600,000, however, of having a majority of all the popular votes cast. The Democrats also maintained control of the House and won the Senate, which they had held for only one brief period of two years since the Civil War and which they were not to hold again until 1913.

Though the Populists polled only 1,040,886 votes, they had made a remarkable showing in the election. They had won Colorado, Kansas, Idaho, and Nevada, and a large number of their candidates were sent to various state legislatures. To be sure, thousands of Democratic votes were counted with theirs in the fusion tickets in the West; but at the same time the race question in the South prevented any widespread defection from the Democrats in that section. The close coöperation of the Populists with the Democrats in the West, however, gave them a claim on the Democratic party for patronage, which was recognized to a certain extent.

equal basis in obtaining these contracts, the missionary zeal of the Catholics enabled them to secure control of most of these schools. Upon his accession to office Harrison appointed as Indian commissioner an old companion in the Civil War, Thomas J. Morgan, a zealous Baptist clergyman. Morgan abolished the contract schools and summarily ejected several teaching priests. The Catholic prelates protested and asked Harrison to remove Morgan as Indian commissioner; but since Morgan refused to resign, it was feared that his forcible removal would only add to the difficulty. Thereupon Father Stephen and other Catholic leaders began a campaign against Harrison's administration, which resulted in the alienation of thousands of Catholic votes. The situation was further intensified by the passage of anti-Catholic laws in Illinois and Wisconsin, states in both of which a sufficient number of Catholics voted the Democratic ticket to secure the election of the Cleveland electors in what had been nominally Republican states.

## CHAPTER XIV

### GROVER CLEVELAND'S SECOND TERM

#### EX-PRESIDENT HARRISON

Between the election and the inauguration of the new president (on March 4, 1893), the Republican politicians paid scant attention to Harrison, since he no longer had offices to bestow or favors to dispense. In fact, they established a virtual boycott of the White House. Even on the day of the inauguration of his successor his former friends and political associates, with but one or two exceptions, dispensed with the custom of calling at the Executive Mansion to congratulate him on the achievements of his administration and to extend their good wishes to him for the future. The President, however, went about his business with his usual methodical precision. Immediately after Cleveland's induction into office Harrison returned to Indianapolis, where he reëntered the legal profession and identified himself in every way with the life of his city and his state. He spent his leisure hours in gratifying a lifelong passion for reading, for he was a profound scholar, widely informed in many departments of learning. In 1896 he cast aside his distrust of McKinley and his dislike of Hanna and threw himself vigorously into the Republican fight for the gold standard; but in 1900 he broke with his party on the question of colonial expansion. As one of the American counsel in the Venezuela boundary arbitration he won international distinction both for himself and for his country. William Allen White says of him: "He stood in the place of honor, and was a just ruler and a brave one. But most of all, he gave to his generation — and rather palely to the generation that shall follow — the example of a courtly, wise, ambitious American who was never afraid in any crisis to be a dignified Christian gentleman, a pious, praying Christian gentleman of an old, old fashion."

## CLEVELAND'S RETURN TO POWER

Grover Cleveland, who succeeded Harrison, had the unique distinction of being the only president ever reelected after a defeat. Indeed, at that time he was the most popular man in the country, more particularly with the masses of the people than with the political leaders. This popularity, however, was destined to be of short duration, inasmuch as certain economic and political forces were at work which were to checkmate him at every turn and in the end to discredit him.

Cleveland displayed his usual degree of independence in the selection of his cabinet, which, notwithstanding open criticism from Democratic partisans because several of the individual members were not well known in public life, proved as a whole a strong one. His Secretary of State was Judge Walter Q. Gresham, advocate of a low tariff. Until the previous year he had been a Republican; and as a result of his sympathy with the main features of the program of the People's party, he was seriously considered as the presidential nominee of that party in 1892. Richard Olney of Massachusetts, the new Attorney-General and later Secretary of State, was comparatively unknown in public life, although he was a brilliant lawyer and proved a statesman of merit. The choice of Hoke Smith of Georgia for Secretary of the Interior, with consequent supervision of the pension bureau, occasioned much apprehension; and the selection of W. S. Bissell, the President's former law partner in Buffalo, as Postmaster-General and of Daniel S. Lamont, Cleveland's private secretary during his first administration, as Secretary of War were regarded by the public as purely personal appointments. As a matter of fact, the New Secretary of the Treasury, John G. Carlisle, who had been three times Speaker of the House and was a United States senator from Kentucky, Hilary A. Herbert of Alabama, the Secretary of the Navy, and J. Sterling Morton of Nebraska, the Secretary of Agriculture, all three stanch Democrats, were the only official counselors who could be regarded as experienced party men.

Applicants for other offices besieged Cleveland constantly from the day of his election. Finally, during the early months



of his presidency, when the financial crisis in the country demanded his undivided attention, they became so intolerable that he issued an executive order on May 8 saying: "It has become apparent after two months' experience that the rules heretofore promulgated regulating interviews with the President have wholly failed in operation. . . . A due regard for public duty, which must be neglected if present conditions continue, and an observance of the limitations placed upon human endurance oblige me to decline from and after this date all personal interviews with those seeking appointments to office, except as I, on my own motion, may especially invite them." The document ended with the terse statement that "applicants for office will only prejudice their prospects by repeated importunities and by remaining at Washington to await results." Though this "Emancipation Proclamation," as *The Nation* termed it, occasioned a tremendous outburst of indignation among Democrats everywhere, who branded Cleveland as a traitor to the people who had elected him, he resisted their overtures as best he could. The cries of the spoilsmen did not go entirely unheeded, however; for subordinates in the Post Office and in other departments made wholesale removals, and even Cleveland himself during the first year of his term changed 1720 appointees in post offices as compared with Harrison's 1698 during the same time. Indeed, so many removals were made that Carl Schurz, president of the National Civil Service Reform League and a former supporter of Cleveland, declared, "No spoilsman in that office has ever turned over the consular service from one party to the other with greater thoroughness and dispatch." Nevertheless Cleveland made an honest attempt to adhere to the spirit of the civil-service system, of which he thoroughly approved. In fact, against the advice of many Democratic leaders he retained Theodore Roosevelt, appointed by Harrison, as Civil Service Commissioner. Before the end of his term the number of governmental employees under the competitive-examination system was more than doubled. Thus whatever his inconsistencies, Cleveland undoubtedly did more for the cause of civil-service reform than any president except Roosevelt.

## UNSATISFACTORY BUSINESS CONDITIONS

Immediately after his accession to office Cleveland was called on to face one of the most far-reaching business depressions in the history of the country. Though the approaching storm was discernible by a limited number of men, few foresaw its magnitude or appreciated the basic principle that made it possible. Indeed, to the casual observer ~~there~~ appeared to be many signs of prosperity. For example, the volume of business transactions for 1892 was above the average, the amount of liabilities involved in business failures was less than it had been for ten years, the annual production of iron was unprecedented, and the crops, though not reaching the enormous yield of 1891, compared well with previous years. Furthermore, foreign commerce had increased steadily for more than a decade, and investments in domestic manufacturing and commercial undertakings had multiplied rapidly.

Keen students of financial affairs, however, saw many signs of trouble, if not disaster. In the first place, the government itself had been delinquent in not providing the country with a sound currency, as well as in not regulating the expanding commercial enterprises of the nation. Consequently unethical and unsound business practices prevailed, and widespread speculation in the new industrial companies tended to undermine the stability of the whole financial structure and to weaken public confidence. To be sure, the violent fluctuations in the prices of securities afforded opportunity for the speculator. Furthermore, at the same time that the prevalence of huge profits encouraged overinvestment, business success fostered extravagant spending, in which the government itself set an example. Thus, while seemingly prosperous, the banker, the manufacturer, and the moneyed interests in the East were in reality facing the same situation as that of the Western farmer, whose plight has been described in the preceding chapter.

Moreover, the financial situation in Europe during Harrison's administration was such as to embarrass American credit seriously. There, as in the United States, the money market was abnormal, owing to the scarcity of gold and its uncertain status.

In 1890 the banking house of Baring Brothers in London, one of the strongest institutions of its kind in Europe, collapsed, to be followed during the next two years by many bank failures in the British colonies and dependencies. Austria-Hungary established the gold standard in 1892 and entered the markets of the world for the purchase of gold with which to maintain specie payments. Meanwhile the Bank of France added to its supply of the precious metal not only to meet the new domestic needs of France herself but to assist in the development of Russian industry, a task which France had assumed as a result of a recent financial and political pact between the two nations. European bankers therefore became extremely cautious and put forth every effort to strengthen their reserves. Their usual investments in American stocks and bonds declined, and commercial creditors were loath to accept American securities for the settlement of trade balances. As a result these demands were met by extensive shipments of gold abroad, which in 1892 reached the sum of \$59,000,000, and in the following year \$87,000,000.

#### THE GOLD RESERVE OF THE GOVERNMENT

While the business outlook in the spring of 1893 was discouraging, the condition of the Federal Treasury was deplorable. When he retired from office on March 4, 1889, Cleveland turned over to his successor a cash balance of \$281,000,000, of which \$196,689,000 was in gold; but when he reentered the Executive Mansion four years later he found only \$112,450,000, of which only \$103,500,000 was in gold. What complicated matters further was the reasonable certainty that the gold reserve would continue to decline. With the possibility of the government's being unable to meet its obligations in gold, the gravest apprehension prevailed among business men both at home and abroad. These were wholly justified, since, under the act of 1882, which authorized the Secretary of the Treasury to discontinue the issue of gold certificates whenever the gold reserve in the Treasury fell below \$100,000,000, the United States might soon be forced to suspend specie payments or resort to the substitution of silver (then greatly depreciated) for gold in

the payment of the demands on the government. In either case, by the abandonment of the gold standard, which existed in all the leading nations of the world, money would be cheapened, a condition desired by the inflationists and greatly feared by the holders of fixed capital and by business in general. That the emergency was actually at hand was indicated by the fact that it was only through the exchange of several million dollars in gold for bonds by the bankers of New York, to whom Harrison's Secretary of the Treasury made a special plea shortly before the expiration of the term of his office, that the statutory limit of \$100,000,000 was maintained. The currency of the United States in March, 1893, included \$346,000,000 of United States legal-tender notes, called greenbacks, \$328,226,000 of legal-tender Treasury notes issued under the Bland-Allison Act of 1878, and \$135,490,000 of notes issued under the Sherman Silver Act of 1890, all of which were direct obligations of the government and all of which were payable at the United States Treasury in coin. Though it rested in the discretion of the Treasurer to pay them in gold or in silver, the government's declared intention to maintain the two metals on a parity made it impossible for him to refuse to pay gold when it was demanded. To do this was becoming increasingly difficult; for since the passage of the Sherman Silver Act in 1890 the gold reserve had declined steadily, while nearly \$150,000,000 of depreciated silver was stored in the government's vaults. Indeed, that day seemed to be near at hand when the United States would be forced to meet its obligations in a currency which the other nations of the world would not accept, inasmuch as in 1892, when an international conference composed of delegates from twenty-two nations met at Brussels at the request of the United States to fix the value of gold and silver so that a bimetallic system might be universally established, the other powers refused to abandon the gold standard.

The situation reached a crisis during April, less than two months after the inauguration of Cleveland, when the gold reserve fell for the first time below \$100,000,000. Though Secretary Carlisle bolstered it up for a time by gold obtained from New York bankers in exchange for notes, the effect was only

temporary; for, beginning in July, it again declined until in November it reached \$59,000,000. Considerable consternation was caused by the published statement that the government would pay gold for all Treasury notes so long as it had "gold lawfully available for that purpose," since this was interpreted to mean that the Secretary doubted his right to use the gold reserve of \$100,000,000 for the redemption of the Treasury notes of 1890. Consequently such a flood of protest from financial circles poured in on the President that on April 24 he came to the relief of Carlisle with the declaration that the administration would exercise every effort "to keep the public faith and to preserve the parity between gold and silver and between all financial obligations of the government." Though no plan was announced for the maintenance of the gold reserve, public anxiety was temporarily allayed.

#### THE PANIC OF 1893

In the meantime the business situation of the country, which had been alarming for several weeks, grew steadily worse. Indeed, as early as February, the Philadelphia and Reading Railway Company, with a capital of \$40,000,000 and a debt of more than \$125,000,000, went into bankruptcy in spite of the fact that the previous month it had paid 5 per cent on its preferred income bonds. Though the market did not break completely under this strain, failures increased so rapidly and money became so difficult to obtain even by the payment of large premiums that a crisis evidently could not be long delayed. During the first week in May the National Cordage Company, which had a capital of \$20,000,000 and liabilities of only \$10,000,000, collapsed. As a consequence of these failures, together with the decline of the gold reserve, the structure of speculative credit was undermined, and a period of liquidation, the most severe yet witnessed, followed. During 1893 six hundred banking institutions and more than fifteen thousand commercial firms failed, thirty thousand miles of railroads passed into the hands of receivers, and the production of iron, coal, and other staple products declined, with resultant widespread unemployment and

labor disturbances. Although the peak of the crisis had passed by the end of 1893, business failures followed each other in rapid succession, and economic recovery came so slowly that it was scarcely perceptible.

The effect of the panic was less severe in the seaboard cities than that of 1873, but the West and the South suffered beyond all previous experiences. Indeed, of the 158 failures of national banks during 1893, 153 were in those sections. For this deplorable condition the banks of the East were partly responsible, since in an effort to save themselves they refused for some time to rediscount notes offered by interior institutions. Eventually, however, they issued to the embarrassed banks clearing-house certificates based on acceptable security. These took the place of loans, and in a limited way relieved the money market temporarily. Meanwhile hoarding was being practiced to such an extent that coins, except fractional currency,<sup>1</sup> practically disappeared from circulation, and the circulating medium was limited almost entirely to government securities; namely, bank notes issued on deposits of government bonds, Treasury notes, and Treasury certificates issued against gold and silver deposited in the Treasury.

#### THE REPEAL OF THE SHERMAN SILVER ACT

For help in this critical financial difficulty all eyes turned instinctively to Washington. Cleveland, however, could do little to relieve the situation. As a hard-money man he was determined at all costs to maintain the gold standard; but he delayed issuing a call for a special session of Congress until June 30, when in response to hundreds of resolutions from business organizations, he called an extra session on August 7 "to the end that the people may be relieved through legislation from present and impending dangers and distress."

In his message to Congress Cleveland expressed it as his opinion that the deplorable condition in which the country found itself was "principally chargeable to Congressional legis-

<sup>1</sup> Between September 30, 1892, and October 31, 1893, the amount of deposits in national banks decreased by more than \$496,000,000.

lation touching the purchase and coinage of silver by the general Government." "Undoubtedly," he continued, "the monthly purchase by the Government of 4,500,000 ounces of silver, enforced under that statute [1890], was regarded by those interested in silver production as a certain guarantee of its increase in price. The result, however, has been entirely different, for immediately following a spasmodic and slight rise, the price of silver began to fall after the passage of the act, and has since reached the lowest point ever known. . . . 'Between the first day of July, 1890, and the 15th day of July, 1893, the gold coin and bullion in our Treasury decreased more than 132 million dollars, while during the same period the silver coin and bullion . . . increased more than a hundred and forty-seven million. Unless Government bonds are to be constantly issued and sold to replenish our exhausted gold, only to be again exhausted, it is apparent that the operation of the silver purchase law now in force leads in the direction of the entire substitution of silver for gold in the Government Treasury, and that this must be followed by the payment of all Government obligations in depreciated silver. . . . The people of the United States are entitled to a sound and stable currency, and to money recognized as such on every exchange and in every market of the world. Their government has no right to injure them by financial experiments opposed to the policy and practices of other civilized states.'" In conclusion he recommended the immediate repeal of the Sherman Silver Act of 1890.

The response to the President's recommendations as revealed in the press was distinctly favorable in the East; but in the West his words aroused much criticism from the silver men, who charged the government with being subservient to the wishes of the bankers of New York, Boston, and Philadelphia. In the House of Representatives the repeal bill encountered comparatively little opposition, although Richard P. Bland, for two decades the leader of the silver forces in Congress, and William J. Bryan, a rising young orator from Nebraska serving his second term in the House, made a determined fight against it. The vote, which was taken three weeks after the assembling of Congress, stood 239 for and 108 against the bill.

In the Senate, however, the debate on the question was prolonged for many weeks. One reason lay in the fact that the composition of the membership of that body was such that the West possessed a voting strength out of all proportion to either its population or its economic interests. For example, Nevada with its 45,000 inhabitants had the same number of votes as New York with its 5,997,000, and the seven silver-mining states with only one sixtieth of the population of the country possessed about one sixth of the voting power of the Senate. Furthermore, every known form of filibustering was employed to delay and defeat action. As the struggle progressed, however, the ranks of the obstructionists began to weaken. By a generous use of the Federal patronage several men occupying key positions in the Senate were won over to Cleveland's standard, while there was a considerable accession of Southerners, who had come to regard their alliance with the silver men of the West as detrimental to their real interests. At the same time the silverites of the West began to disagree on the question of policy. Those who favored the free coinage of silver to enlarge the circulating medium were not in harmony with the mining senators, who were content to see immense quantities of bullion stored in the Treasury. Consequently, on October 30, 1893, when the question came up for a final vote, the bill was passed 43 to 32. The nonpartisan character of the issue is indicated by the fact that 22 Democrats and 26 Republicans favored the bill and 22 Democrats, 12 Republicans, and 3 Populists opposed it.

The repeal of the Sherman Silver Act, though a great personal victory for Cleveland, left his party hopelessly divided. Contrary to the current belief among conservative Easterners that the silverites had met their Waterloo, the latter renewed the fight with increased determination and, in coöperation with the Populists, began active preparations for the presidential campaign of 1896.

#### BREAKING THE ENDLESS CHAIN

Although Cleveland and the Eastern financiers overestimated the influence of the Sherman Silver Act in bringing about the business depression, it was unquestionably a contributing



cause. Furthermore, without doubt a pursuance of the silver-purchasing provisions of that measure would necessarily have forced the adoption of the standard of silver monometallism. Conditions, however, had advanced so far by 1893 that the mere stopping of further accumulations of depreciating silver in the vaults of the government could produce only temporary results for many months. As a matter of fact, business failures on much the same scale as during the preceding months continued during the remainder of 1893.

Meanwhile the fact that the Federal Treasury was suffering from lack of revenue, together with the adverse trade conditions, caused a severe strain on the gold reserve, which by January, 1894, had fallen to \$70,000,000. To relieve this situation Cleveland, on the recommendation of Secretary Carlisle, asked Congress for authority to sell bonds to supply deficiencies in the public revenues. Congress, however, was at that time so torn with dissensions and so antagonistic to the President that it refused to act. In this dilemma Carlisle fell back on a provision of the Resumption Act of 1875, which allowed the Secretary of the Treasury to sell ten-year bonds at 5 per cent for the redemption of United States notes. On January 17, 1894, therefore, he offered to the public \$50,000,000 of such bonds in exchange for gold; and since the rate of interest provided in that measure was unnecessarily high, he decided to sell them at a trifle above 117. Through the coopération of New York banks the bonds were marketed, with a net return to the government of \$58,660,917 in gold, thus bringing the gold reserve back to more than \$107,000,000.

This measure proved of only temporary benefit, for by November the reserve had fallen again to less than \$60,000,000. At that time the government resorted to an additional loan of \$50,000,000 on conditions substantially the same as those covering that of the preceding January. The Treasury, however, was chasing a phantom; for though gold alone was accepted for the bonds, any holder of a Treasury note might present it to the Treasury and demand gold in exchange. The difficulty of maintaining the reserve was hampered by an act of Congress passed in 1878 which provided that, when redeemed, these notes "shall

not be retired, canceled, or destroyed, but they shall be reissued and paid out again and kept in circulation." Thus the gold obtained from the sale of bonds was soon dispersed, inasmuch as there was nothing to prevent the man who lent gold one day from presenting Treasury notes on the next and demanding it back; and since gold was held at a great premium at home and was sorely needed to meet the unfavorable trade balances, the Treasury was constantly being depleted in this way. This "endless chain," as Cleveland termed it in his message to Congress in December, 1894, made the negotiation of further bond issues of only temporary value. To remedy this intolerable situation he asked Congress to authorize the issuance of fifty-year bonds at a low rate of interest which should be used not only to redeem but to retire legal-tender notes. Congress, however, ignored this request.

Meanwhile the reserve steadily declined until in February, 1895, it stood at \$41,000,000. Further borrowing under the provisions of the Resumption Act of 1875 seemed useless. Both Cleveland and Carlisle were in a quandary to know what course to pursue. On February 7 of that year, however, J. Pierpont Morgan, the "colossus of Wall Street," in the course of a conference with the President at the Executive Mansion suggested that the government buy gold outright, paying for it in bonds. Authorization for such action, he said, was found in an act of Congress passed in 1862 which stated, "The Secretary of the Treasury may purchase coin with any of the bonds or notes of the United States authorized by law, at such rates and under such conditions as he may deem most advantageous to the public interest." The idea appealed to Cleveland as a practical solution of the difficulty in which the Treasury found itself. Accordingly on the following day he entered into a contract with the Morgan-Belmont-Rothschild banking syndicate for the sale and delivery to the government of 3,500,000 ounces of standard gold coin of the United States, to be paid for in bonds bearing annual interest at the rate of 4 per cent per annum and payable at the pleasure of the government after thirty years. At least half the gold so delivered was to be obtained from abroad. Furthermore, the syndicate agreed to "exert all finan-

cial influence and make all legitimate efforts to protect the Treasury of the United States against the withdrawals of gold pending the complete performance of the contract." From this source the government obtained \$65,116,244, by means of which the gold reserve was again restored. The bank syndicate, however, had driven a good bargain, for out of the deal they realized a profit of \$7,500,000. Indeed, so attractive were the bonds that Morgan was able to dispose of the entire issue in twenty-three minutes at 118½, whereas he had paid the government only 104.2. Both in England and in America they were oversubscribed many times. The terms of the agreement were strictly observed. As a matter of fact \$15,000,000 more in gold was delivered than the contract called for, and during the six months or more of the operation of the contract practically no gold was withdrawn from the Treasury.

In spite of the beneficial results of this arrangement Cleveland was denounced throughout the country and accused of being a secret agent of the moneyed interests. Cleveland on his part, while admitting the profitableness of the contract to the bankers, attempted to justify his own action in the matter. Not only did he doubt the willingness of the public at that time to absorb another bond issue, but he placed the responsibility squarely on Congress for refusing to enact the necessary legislation to remedy the situation. Later he wrote: "Without shame and without repentance, I confess my part of the guilt. . . . I shall always recall with satisfaction and self-congratulation my association with them [the bankers] at a time when our country sorely needed their aid." Whether justified or not, however, he almost single-handed had prevented the country from drifting to a silver monometallic basis. In taking this stand, moreover, he had sacrificed what little remained of his popularity.<sup>1</sup>

Though the Treasury was relieved for several months, the

<sup>1</sup> As a rule the Republicans were sounder on the money question than the Democrats. Senator Sherman and other Republicans gave Cleveland their unqualified support in his entire financial policy with the exception of the tariff. Sherman later remarked: "Mr. Cleveland was a positive force in sustaining all measures in support of the public credit. . . . As these were in harmony with my convictions I found myself indorsing them as against a majority of the Democratic Senators."

public revenues were not adequate to support the operations of the government, especially in the face of the tardy recovery of industry and commerce and the continued adverse trade currents. Consequently, early in 1896, when the gold reserve had again fallen to less than \$50,000,000, an issue of \$100,000,000 of bonds was sold successfully to the public. From this date on the gold reserve was secure and the endless chain was definitely broken. Meanwhile the Secretary of the Treasury had issued \$262,000,000 in bonds in an attempt to safeguard the legal gold reserve and to stave off the threatened bankruptcy.

#### THE WILSON-GORMAN TARIFF OF 1894

While the financial condition of the country engaged the attention of Congress during the special session called to repeal the Sherman Silver Act of 1890, popular unrest was increasing. At the same time many elements of discord were manifesting themselves in the ranks of the Democratic party, then in control of both Houses of Congress and the executive. Not only were the Eastern Democrats in disagreement with those from the West on practically every party issue, but the large reform, or independent, element which Cleveland had attracted to the Democratic standard were displeased with his appointment of stanch partisans to many offices which offered abundant opportunity for the freest use of the spoils system. Indeed, the independent attitude of the President in his official acts clearly presaged a break with the leaders of his party.

On one question, however, that of the tariff, on which the sweeping Democratic victories of 1890 and 1892 had been won, there appeared to be a greater unanimity of party sentiment than on any other. The platform of 1892 not only denounced protection as a fraud but branded the McKinley tariff as "the culminating atrocity of class legislation"; and when Congress assembled December 4, 1893, in its regular session, there were unmistakable indications that the country demanded a substantial downward revision of the whole schedule of rates. In his annual message Cleveland gave this matter first consideration, and the House responded to his recommendations. On

December 19 William L. Wilson of West Virginia, chairman of the Committee on Ways and Means, introduced a bill that presented to the House an honest and consistent program for the reduction of the tariff. On February 1, 1894, it was approved by a vote of 182 to 106.

In the Senate, however, the bill encountered unexpected opposition, led by Gorman of Maryland. During the five months of "revision" the original bill was so altered that it could scarcely be recognized. Because sectional interests had proved sufficiently strong to force the restoration of protective schedules for many articles, the fundamental principles on which the Democratic tariff position was based were destroyed. When the two measures came before the conference committee, the Senate refused to recede from its position, and in the end the House was forced to accept it. President Cleveland was deeply disappointed and chagrined by the course events had taken, but in the end he permitted the bill to become a law without his signature by the statutory lapse of ten days. His open criticism of those who favored the Senate bill, as well as his characterization of the bill itself as a piece of "party perfidy and party dishonor," widened the breach between the executive and the party leaders.

The remodeled bill, commonly known as the Wilson-Gorman Act, placed wool, copper, and lumber on the free list and lowered the average rate from about 49 to 39.9 per cent. Of all the individual items sugar occasioned the most prolonged debate. As a result of the opposition of the senators from Louisiana, who objected to free sugar unless the bounty of two cents a pound established by the Republicans in 1890 should be continued, the bounty was dropped and an ad valorem duty of 40 per cent was placed on raw sugar and of one eighth of a cent a pound on refined. Unfortunately the most important feature of the act, the income tax of 2 per cent levied on incomes above \$4000 annually to compensate for the loss in revenue caused by the reduction of the tariff schedules, was declared unconstitutional by the Supreme Court in 1895. Since the income tax which existed from the beginning of the Civil War until 1872 had been established as legal by a unanimous decision of the Supreme Court, and since the same court in 1895 declared a similar law

unconstitutional by a vote of 5 to 4, the country was astonished at the revelation of fickleness in the highest court of the land. Throughout the West, where much dissatisfaction had prevailed with the existing tax system, the later decision was denounced as having been dictated by the moneyed interests of the East. In fact, in their platform of 1892 the Populists had made the adoption of an income tax one of the major planks.

During the discussion of the tariff an unprecedented amount of lobbying was done by the business interests seeking protection. In a congressional investigation H. O. Havemeyer, the head of the Sugar Trust, a beneficiary of the Wilson-Gorman tariff by several million dollars annually, testified that it was the practice of big business to subsidize party management, and Senator Quay of Pennsylvania admitted defiantly that he had speculated in sugar stock while the deliberations on the tariff on sugar were in progress. Thus it became the common belief that the trusts paid the campaign expenses of the politicians and that in return the politicians allowed the trusts to frame the tariff schedules. The dissatisfaction with the Democratic administration, of which much had been expected and which had actually accomplished little, found expression in the congressional elections in 1894, when the Republicans obtained a majority of 140 in the House and gained control of the Senate also. So sweeping was the victory that in twenty-four states the Democrats failed to return a single member, and in each of six others only one district failed to elect a Republican. The Democratic losses were especially great in the North and the West, causing such leaders as Wilson, Bland, Champ Clark, Gorman, Bourke Cockran, and Bryan to lose their seats. In the West and in the South there was a marked tendency among Democrats to draw closer to the radical doctrines of the Populists. This political transformation left President Cleveland to fight his battles almost alone during the remaining two years of his administration. Meanwhile the Republicans sought to capitalize his misfortunes, and the Democratic leaders, with most of whom he was not in harmony, stood by silently or allied themselves with the Western movement.

## ECONOMIC DISTURBANCES OF 1894

While the tariff question was engaging the attention of Congress and of the country during the summer of 1894, the disastrous effect of the financial depression was manifesting itself throughout the land. Factories were closed entirely or were forced to operate on a part-time basis, and in many instances substantial reductions were made in wages. The fact that as a consequence thousands of workmen were thrown out of employment caused distress and taxed the relief agencies in the industrial cities to the utmost, since never before had there been so many idle men in the country. With the approach of winter agitators began to appear among them presenting sensational methods of reform. These agitators were all the more successful because of the general dissatisfaction ~~with the government~~ and the belief among Westerners and laborers as a whole that its policies were formulated by big business and operated in its interest at the expense of all other classes. The Populist governor of Colorado, David H. Waite, called out the state militia to arrest a sheriff's posse who were endeavoring to restore order in a miners' strike at Cripple Creek. "It is infinitely better," he declared, "that blood should flow to the horses' bridle rather than that our liberties should be destroyed." "Bloody Bridle Waite," as he was thenceforth known, proposed that his state establish its own mints and open them to the free and unlimited coinage of silver.

In the East great uneasiness was occasioned at first by certain labor demonstrations that in reality were more grotesque than alarming. Under the leadership of General Jacob S. Coxey, a successful business man of Ohio, an elaborate theory was developed for the alleviation of unemployment and the improvement of the financial condition of the country. Among other things, it maintained that the government should issue \$500,000,000 in "non-interest-bearing bonds" to be used in employing workers in the construction of roads. To impress his ideas upon Congress, Coxey suggested that laborers concentrate in groups or armies and march to Washington, where they were to remain until their grievances were redressed. At the head of

the "Army of the Commonwealth of Christ" he began the long march himself, and other groups in other cities followed his example. The absence of supplies and funds, however, defeated the purpose of the crusade. In the end Coxey with a hundred men arrived before the Capitol, but when they attempted to cross the lawn he and a number of his leaders were arrested for disregarding the signs against trespassing on the grass. Coxey was convicted and imprisoned for twenty days. In the meantime his hungry followers became discouraged, and most of them abandoned the undertaking. Other bands met with no greater success.

Of far more serious import than these idealistic undertakings as evidence of popular unrest, however, were the activities of organized labor, which began to attract attention. On the closing of factories and the wholesale reduction in wages labor disturbances followed in quick succession. Strikes on many of the railroads partially paralyzed traffic for many months, and more than a hundred thousand bituminous-coal miners were called out by the United Mine Workers. Most of these strikes were of comparatively short duration and ended in total failure.

### "GOVERNMENT BY INJUNCTION"

Of the industrial disturbances of 1894 those which centered in Chicago overshadowed all others not only because of their extent but because of their importance in bringing about new and impressive interpretations of national authority. During May, 1894, the Pullman Palace Car Company of Pullman, Illinois, manufacturers of parlor, dining, and sleeping cars, announced a 20 per cent reduction in wages, which it stated was made necessary by the financial depression. It was found later, however, that the company was in a reasonably prosperous condition and that neither the dividends nor the large salaries were to be affected. When a committee of workmen protested and asked for a restoration of their former wage scale, three of them were summarily discharged. News of this action caused some 85 per cent of the workmen to strike, and the company retaliated by removing all the workmen who had voluntarily remained.



Since some 4000 of the Pullman workers belonged to the newly organized American Railway Union, whose total membership was about 150,000, the question immediately became one of national significance. The president of the union, Eugene V. Debs, a shrewd political strategist, decided that though the controversy concerned the railroads only indirectly through the membership of some of the workmen of the Pullman Company, he would intervene. Mr. Pullman insolently rejected Debs's offer to submit the question to arbitration in spite of the fact that the mayors of some fifty cities and hundreds of civil and business organizations, who feared the consequences of a general railroad strike, advised him to do so. Debs thereupon (June 26) ordered the members of the union to refrain from handling trains carrying Pullman cars. Since most through trains carried Pullman cars, a general tie-up of all passenger traffic was threatened. Although neither the American Federation of Labor nor the Railway Brotherhoods indorsed this sympathetic strike, it soon spread over the entire country. Within a few days only six of the twenty-three railroads entering Chicago were operating trains, and business was beginning to feel the effects of the interference with passenger and freight movements.

At first the strike proceeded in an orderly way; but as it progressed the repeated advice of Debs to refrain from the use of violence in any form was disregarded, and the movement degenerated into an orgy of violence. Although units of militia were near at hand, Governor J. P. Altgeld of Illinois refused to call them out, professing to know of no disturbances with which the local authorities could not cope. In fact, he was generally believed to sympathize with the strikers, at least by the strikers themselves.

At this juncture, however, the Federal government intervened on the ground that the transportation of the United States mails was being obstructed. This action took two forms. First, at the urgent request of national officials in Chicago, marshals, judges, and the district attorney, troops were dispatched to that city, although the governor had not asked for them.<sup>1</sup> As a matter of

<sup>1</sup> Cleveland is reported to have declared that "if it takes every dollar in the Treasury and every soldier in the United States army to deliver a postal card in Chicago, the postal card will be delivered."

fact, Governor Altgeld, in a lengthy telegram to the President, protested against that action and professed the ability of the state authorities to handle the situation satisfactorily. In the second place, on the advice of the Attorney-General, Richard Olney, a Federal judge in the Chicago district issued on July 2 a sweeping injunction against Debs and others, restraining them from obstructing the United States mails. The order was pasted on hundreds of cars, with the warning that those found guilty of violating it were subject to imprisonment for contempt of court and to sentences imposed by the judge without trial by jury. The situation became so serious that on July 8 President Cleveland issued a proclamation stating that those "taking part with a riotous mob in forcibly resisting and obstructing the execution of the laws of the United States" would be summarily punished. Two days later Debs was arrested, charged with a violation of the Sherman Anti-Trust Act, prohibiting conspiracy in restraint of trade and commerce, and was imprisoned for contempt of court for disregard of the court's injunction. Meanwhile order was established, and on the twentieth the troops were withdrawn from Chicago. When the strike collapsed in that city it was soon abandoned elsewhere.

Cleveland's part in this controversy through his vigorous assertion of Federal authority occasioned much discussion throughout the country, and for the most part his conduct met with popular approval. The course that he took required courage, and its consequences were far-reaching in the interest of peace and good government. Both the legality and the wisdom of "government by injunction," however, by means of which a judge has large powers in making arrests and assigning punishments without the ordinary constitutional safeguards, were relentlessly assailed, particularly by labor, and remained for many years one of the leading questions before the country. When the case of Debs came before the Supreme Court the following year, a unanimous decision was handed down sustaining the manner of his arrest and his sentence. Furthermore, both Houses of Congress by large majorities adopted resolutions approving the government's whole procedure in the labor disturbances of 1894 both in the use of Federal troops and in the

issuance of the injunction by the district court at Chicago. Later President Taft stated that the country owed Cleveland a great debt for the assertion "through him, as its chief executive, of the power of the Federal government directly to defend the Federal jurisdiction through the process of Federal courts and by Federal troops against the lawless invasion of a mob."

### THE VENEZUELAN AFFAIR

Next to the settlement of the labor troubles in Chicago, his part in bringing about a permanent agreement between England and Venezuela on the long-standing boundary controversy gave Cleveland in later years more satisfaction than any other of his official acts. On the whole, however, he was not oversuccessful in his conduct of foreign affairs. For example, the proposal for the annexation of Hawaii was sadly mismanaged, as will be seen, and his lukewarmness toward the development of the spirit of Pan-Americanism, in which Secretary of State Blaine had been deeply interested, caused much that had been accomplished in that direction to be lost. Nevertheless Cleveland brought to the front in world diplomacy, after an interval of thirty years, the existence and the effectiveness of the Monroe Doctrine.

In 1814 Great Britain acquired from the Netherlands a large area in northern South America, which later came to be known as British Guiana, the boundaries of which were not clearly defined, particularly those separating the territory from Venezuela on the west, where lay a tract of unoccupied tropical jungle claimed by both countries. The utmost pretensions of Venezuela would have practically eliminated British Guiana, and those of Great Britain would have given her control of the mouth of the Orinoco. Unable to reach an agreement on the question, England in 1840 dispatched an experienced engineer, Robert Schomburgk, to study all available material relating to the question and to determine what he considered to be the correct boundary. Though the line established by him did not fulfill the extreme assertions of Great Britain, it was not acceptable to Venezuela. Partly for that reason England continued to demand the recognition of her previous contentions.

Both countries appeared to be willing to submit the question to arbitration; but England wished to limit the territory to be adjudicated to that beyond Schomburgk's line, while Venezuela on her part demanded that the status of the whole area be considered. For a generation thereafter the question received little consideration, since Venezuela was the victim of absorbing revolutions. When at length the subject was revived, it had grown more complicated, owing to the value of recently opened gold fields in the disputed area. Meanwhile Great Britain had extended her jurisdiction over some thirty-three thousand square miles of territory that in the early discussions she had appeared willing to sacrifice to Venezuela in the interest of amicable relations between the two nations. In 1876 Venezuela invoked the kind offices of the United States to adjust the controversy, and later she reaffirmed her willingness to submit the territory in dispute to arbitration. England, however, appeared less and less willing to make concessions and more assertive of her extreme territorial claims.

Though the American government interested itself in the question on a number of occasions, it accomplished nothing. Finally, in 1894, President Cleveland urged England to submit the matter to arbitration, and in his message to Congress he informed that body of his efforts in that direction. At the time the affair attracted practically no attention in the press, and few saw in it any elements that might threaten the peaceful relations between the United States and England; but before the end of another year the controversy had aroused the country to a high pitch of excitement.

On July 20, 1895, the Secretary of State, Richard Olney, who had recently succeeded the deceased Gresham, presented to England his Venezuelan dispatch, which has been characterized as "one of the most undiplomatic documents ever issued by the Department of State." It was permeated, however, with sturdy Americanism in every line and was singularly persuasive. Moreover, its logic appeared sound. In this he demanded "a definite decision upon the point whether Great Britain will consent or will decline to submit the Venezuela boundary question in its entirety to impartial arbitration." He stoutly defended the right

of the United States to intervene in order to see that the integrity of Venezuela's territory was not "impaired by the pretensions of its powerful antagonist." As a basis for this position he presented an elaborate discussion of the Monroe Doctrine, giving that document a sweeping interpretation. "The United States is practically sovereign on this continent," he said, "and its fiat is law upon the subjects to which it confines its interposition. Why? . . . It is because, in addition to all other grounds, its infinite resources combined with its isolated position render it master of the situation and practically invulnerable as against any or all other powers." In his reply the following November Lord Salisbury asserted that the United States was taking a new and unjustified attitude on the Monroe Doctrine. He denied firmly that the Monroe Doctrine was in any way applicable to a controversy involving a boundary line between Great Britain and Venezuela. He said, furthermore, that no statesman or nation had a right to "insert into the code of international law a novel principle [the Monroe Doctrine] which was never recognized before, and which has not since been accepted by the Government of any other country."

Cleveland then took the question out of diplomatic channels by stating in his message to Congress on December 17 that because of the unwillingness of Great Britain to arbitrate the question it was the duty of the United States "to take measures to determine what is the true divisional line between the Republic of Venezuela and British Guiana." He suggested the appointment of a special commission to conduct this investigation, whose report upon acceptance by the United States should be enforced upon Great Britain. "In making these recommendations," he continued, "I am fully alive to the responsibility incurred and keenly realize all the consequences that may follow." Both Olney and Cleveland felt that the traditional and established policy of the United States was to oppose a forcible increase by any European power of its territorial possessions in the Americas, and that because of the disparity in the strength of Great Britain and Venezuela the territorial dispute between them "can be reasonably settled only by friendly and impartial arbitration." The message came as a surprise to people on both sides of the

Atlantic; for though Cleveland had been firm in his diplomacy, he had shown no jingoistic propensities.

Regardless of its suddenness, however, and the serious import of its consequences the people rallied enthusiastically to his support. Congress on its part, with comparatively little opposition, speedily supplied the necessary legislation to make his program effective.

The English public was thoroughly shocked at the unexpected turn events had taken. Protests against the "unthinkable horror" of a war with the United States poured in on the government from every quarter, and men in high public position were quick to proclaim their friendship for the United States and their hope for an amicable adjustment of the question. Some three hundred and fifty members of Parliament sent a dispatch to the President and Congress expressing their desire to have all future controversies between the two countries submitted to arbitration. The American commission of investigation was accorded every courtesy and free access to all public records.

To what extent this attitude was influenced by a turn of events in Europe it is impossible to say, but doubtless these changes were a factor in the minds of many. The situation abroad was suddenly complicated by the fact that an Englishman, Dr. Jameson, who had conducted a raid in the territory of the Boer Republic of South Africa, was captured by President Kruger. When this information was known, the Kaiser telegraphed President Kruger his congratulations on successfully thwarting the aggression of a hostile power. Since England was endeavoring to extend her authority in South Africa, she regarded this message as a national insult. This incident, intensified by the growing naval and commercial rivalry between Germany and England, created a serious political complication, which may have caused England to assume a conciliatory attitude in the Venezuelan affair. At all events, on February 2, 1897, a treaty was signed at Washington providing for a tribunal of arbitration to which the boundary dispute was to be referred. As the decision, which was handed down in 1899, fixed the boundary near Schomburgk's line, it was considered on the whole a victory for Great Britain. It is reasonably certain, however, that

the Russian representative on the tribunal, who had the deciding vote on the important issues before that body, was influenced to some extent by the network of European problems which were forcing his government into closer relations with that at Downing Street.

The Venezuelan episode was significant for many reasons. Not only did it establish the Monroe Doctrine in its broadest aspects on a lasting foundation, but it forced a recognition from England of the interest of the United States in any dispute between Latin-American and European countries. In the United States the result was equally striking. Thenceforth the American people displayed a growing interest in foreign affairs and a desire to see their government assume its proper place among the nations of the world.

## CHAPTER XV

### THE FREE-SILVER PLEBISCITE OF 1896

#### GROVER CLEVELAND

The unanimity of sentiment in the United States in support of Cleveland's assertion of the Monroe Doctrine in the Venezuelan boundary controversy was in no way a true mark of his popularity with the masses of the people. As a matter of fact, probably no president ever received so much personal abuse in his own day as did Grover Cleveland. During the last two years of his administration, in particular, he was not only constantly at odds with Congress but out of harmony with the majority of his own party. William J. Bryan of Nebraska and the silver Democrats frankly repudiated his leadership, placing on him the responsibility for the overwhelming defeat of the party in 1894. *The Kansas City Times* declared: "The Democratic party which he has deceived, betrayed and humiliated, long ago stamped him as a political leper and cast him out as one unclean. The reproaches and contumely of the entire American people accompany him in his retirement." On March 4, 1897, the *Atlanta Constitution* said, "Grover Cleveland will go out under a greater burden of popular contempt than has ever been excited by a public man since the foundation of the government." The same feeling moved Champ Clark, the rising Democratic leader from Missouri, to state publicly: "Two names stand out as meaning all that can be said of treachery and infamy. They are Judas Iscariot and Benedict Arnold. A third should be added, that of Grover Cleveland." Another expression of the prevalent attitude came from Justice Field of the Supreme Court, who was advanced in years and afflicted with poor health. When the question of his resignation from the bench was being discussed, he asserted: "I'll be damned if I'll retire or die while Cleveland is President. . . . I'll never give Cleveland an op-



portunity to appoint my successor." Indeed, by the latter part of 1895, the last shred of Cleveland's leadership had been destroyed. Repudiated alike by silver men in the West and the South and by machine politicians in the East, he was literally a man without a party. As a matter of fact his course caused a division in the Democratic ranks almost beyond repair and elevated to a place of supremacy the young Democracy.

Nevertheless, with the passing of time Cleveland's integrity and courage and his firm grasp of the higher administrative duties of his office have won the approval of his countrymen to such an extent that today he is almost universally accorded a place among the great presidents of the nation. Indeed, in the handling of the wide range of intricate problems that he was called on to settle during his two terms he displayed rare executive ability. William Allen White in his *Masks in a Pageant* said that though Cleveland brought no new doctrine to the people, founded no institution, held no peculiar theory of government, and, in short, constructed nothing, "every hour of the working day he did what he thought was exactly right." "While he never attempted to guide the current of the public business," he continued, "he did try to see that the business was wisely and honestly done. He was a modest, industrious public servant, who lived as well as practiced the motto, 'A public office is a public trust.' . . . He tried to efface his personality, but it was so strong, so distinctive, and smelled of masculinity so pungently that his personality dominated everything he did in spite of his aversion to personal politics."

### THE SILVER ISSUE BEFORE THE COUNTRY

At the close of Cleveland's administration the country was hopelessly divided on the currency question, regardless of party affiliations. The repeal of the Sherman Silver Act in 1894 was considered by most of the congressmen supporting it as only an emergency measure. As to what course should be pursued thereafter the widest difference of opinion prevailed. Many congressmen, particularly from the East, hoped to bring about international bimetallism: and when the nations of Europe

refused to accede to their wishes, men of the standing of ex-Speaker Reed of Maine and Henry Cabot Lodge of Massachusetts proposed that discriminating duties be levied on goods coming from countries which did not indorse the bimetallic plan. By thus linking together the tariff and silver they thought that favorable action could be obtained. Party conventions, both Republican and Democratic, in 1894 and 1895 supported bimetallism in one form or another. With the approach of the presidential campaign of 1896, however, the Republicans showed a marked tendency to espouse the gold standard, while the Democrats were fast yielding to the influence of the silverites from the West and the South.

The ardor of the silverites, particularly those within the ranks of the Democratic party, assumed the form of a crusade. Indeed, as early as 1894, Bryan and other Westerners resolved to capture the Democratic party and purge it of the dominating influence of Cleveland and the moneyed interests of Wall Street. In June, 1894, a Democratic silver convention composed of a thousand delegates met in Omaha, Nebraska. Under the leadership of Bryan it adopted enthusiastically a free-coinage plank on a basis of "16 to 1" "without waiting for the aid or consent of any other nation on earth." A little later some thirty-one Democrats from the West and the South issued a public address stating that the paramount issue before the country was the money question, and that since a majority of the members of the party favored bimetallism it was "the duty of the majority and within their power to take charge of the party organization and make the Democratic party an instrument in the accomplishment of needed reform." A series of subsequent conferences was held, culminating in the assembling of a big silver convention at Washington on August 15, 1895, attended by delegates from thirty-seven states and territories, the purpose of which was to coördinate the various silver organizations with the avowed object of gaining control of the Democratic national convention the following summer. So effective were their efforts that in thirty of the forty-four states Democratic conventions adopted resolutions in favor of free silver and only three states approved the sound-money policy of Cleveland.

Of this "free-silver heresy," or "Bryanism," Cleveland naturally had the greatest abhorrence; and he was tireless in his efforts to combat it, attempting through scores of letters and personal conferences to check its growth. "When a campaign is actively on foot," he declared, "to force the free, unlimited and independent coinage of silver by the government at a ratio which will add to our circulation unrestrained millions of so-called dollars, intrinsically worth but half the amount they purport to represent, with no provision or recourse to make good the deficiency in value, and when it is claimed that such a proposition has any relation to the principle of Democracy, it is time for all who may in the least degree influence Democratic thought to realize their responsibility." On another occasion he gave a true prophecy of the course events were taking when he said, "If we should be forced away from our traditional doctrine of sound and safe money our old antagonists will take the field on the platform which we abandon, and neither the votes of reckless Democrats nor reckless Republicans will avail to stay their easy march to power." Though a number of sound-money conferences and conventions were held and a concerted effort was made to stem the free-silver tide, this latter movement went forward with increased momentum as the time for the Democratic national convention approached.

Meanwhile within the Republican ranks a similar though less intense struggle was taking place. There, however, the sound-money men, together with those who preferred to believe in bimetallism only after it had been adopted by the other nations of the world, appeared to be in undisputed control. Nevertheless some ten Republican state conventions declared for free silver, and eight others purposely dodged the question.

### THE PRE-CONVENTION REPUBLICAN CAMPAIGN

The Republican leaders attempted to sidetrack the question of the currency for that of the tariff, in which they professed to see the explanation for the inadequacy of the Federal revenue to meet the needs of the government as well as the cause of the industrial and financial chaos afflicting the country. Since these

unfavorable economic conditions, together with the factionalism within the Democratic party, seemed to presage an easy Republican victory in 1896, a number of candidates for the nomination appeared in the field, including an unusually large number of favorite sons. Senator W. B. Allison of Iowa had the support of most of the senators. From the beginning of the campaign, however, it seemed fairly certain that either Thomas B. Reed of Maine, with a strong following among the members of the House of Representatives, or William McKinley of Ohio would receive the coveted honor. Ex-Speaker Reed, who had had a long and creditable experience in public office, was generally regarded as one of the most brilliant men in the country. Not only was he resourceful in partisan debate, but he had a grasp of public questions that made him a formidable figure in national politics. On the other hand, his biting sarcasm, in the use of which he was a past master, alienated many men from his support; and his disinclination to do anything for his own promotion in politics worked to his disadvantage, especially since some of his opponents were not so modest as he.

Furthermore, the concentration of attention on the tariff greatly added to the strength of McKinley, who was at that time not only a recognized authority on the subject but the chief exponent in the country of the policy of protection. McKinley was a native of Ohio, the son of a prosperous ironmaster. After attending the common schools of that state he was a student for a time at Allegheny College. At the age of eighteen he enlisted in the Union army as a private soldier, serving under Rutherford B. Hayes (later president), and retired with a distinguished record as brevet major. He then entered the legal profession, but politics became the chief business of his life. After holding a number of minor offices in Ohio, he was elected to the national House of Representatives in 1877, where he served almost continuously until 1891. From his early entrance into national politics he devoted himself with unusual persistence to a study of the tariff, with the avowed purpose of acquiring such a mastery of the subject that his services would be indispensable to his party in any consideration of the question. In this he was eminently successful. Hence in 1890, when the Republicans

were in control of Congress, he became the author of the tariff measure of that year which bears his name. Meanwhile he had become an important figure in the affairs of his party, acting as a member of the Committee on Resolutions in 1884 and 1888 and as chairman of the national convention in 1892. After his defeat in the congressional election of 1890, owing to a Democratic gerrymander, he was elected governor of Ohio, and two years later he was reelected for a second term. At all times he was industrious in public office, blameless in private life, tactful to an unusual degree, and considerate of his opponents. Few men in his day possessed a more pleasing personality or could muster a greater array of loyal friends.

In the campaign of 1896 McKinley was fortunate in having as his ardent supporter Marcus Alonzo (Mark) Hanna of Cleveland, Ohio, who during the next decade was to establish for himself a record as one of the greatest political organizers in the history of the country. Though the story of his business life is like that of thousands of other successful Americans in most respects, few excel it in the dramatization of energy and the romance of industrial achievement. With both enthusiasm and curiosity young Hanna entered the coal and iron industry shortly after the close of the Civil War; and before the end of the century he was the owner and operator of iron and coal mines, ships, foundries, forges, smelters, a street railway, a bank, a newspaper, and numerous other establishments. In his employ he had several thousand men, located all the way from the Alleghenies to the Rockies. He knew his men and the work they did. His oft-repeated boast that his office door swung inward as easily on its hinges for the dollar-a-day man as for the superintendent was no exaggeration. Since toward his employees he was wise, kind, and generous, although paternalistic, he had comparatively little labor trouble. ✓

Always interested in politics, he became an active participant through his industrial contacts, some of which were dependent on concessions from the Cleveland city council; and as he extended his business he enlarged his political activities to include first state and then national politics. These new connections became as important in Hanna's life as shipbuilding or street

railways. It was he who demonstrated that the methods that would bring success to business would bring it to politics also. Beginning with the Cleveland-Blaine campaign of 1884, which marked his entrance into national politics, he played an important part in each of the five succeeding presidential campaigns, either as collector of party funds or as chairman of the national committee. During the eighties he was a stanch supporter of John Sherman for the presidency. About the nineties, however, he became intimately attached to McKinley, for whom he developed the greatest admiration, not only because of McKinley's noble character and winning personality but because of his zeal in behalf of high protection. On one occasion he said that he loved McKinley because McKinley was the best man he had ever known. In 1894 Hanna retired from active participation in business to give his time exclusively to the promotion of McKinley's political fortunes. Indeed, his devotion to McKinley became the passion of his life. In politics as in business Hanna was not always guided by the highest ethical standards, for his restless energy created in him a lust for success in everything to which he aspired. He was essentially a man of action, whose lack of broad culture seriously handicapped him on many occasions. Even of the national problems of the day he possessed only a meager knowledge. He had given little thought to the currency issue, and he knew virtually nothing of economics outside of tariff schedules. However, since he ardently believed that the prosperity of the country was inextricably interwoven with the tariff, it seemed to him that the country's welfare was dependent on a close alliance between big business and the government; that if industry was to grow, it required special legal privileges — in short, protection; and that hence it was necessary for business men to enter politics to replace the uncertain professional politicians. Thus it was that during 1895 and the first half of 1896 Hanna organized a fighting syndicate in business circles to name McKinley, the high priest of protection, for president, devoting to this cause his entire time and a large amount of his private fortune in addition to funds obtained from business men throughout the country. From experience in previous political campaigns he saw the necessity of winning

the Southern delegations. With that object in view he established a winter residence in Georgia, where he entertained McKinley and successive delegations of politicians from the various Southern states. So effective was his work there and elsewhere that long before the meeting of the Republican convention it was generally acknowledged that McKinley would be nominated. The "business man in politics" had demonstrated his ability to get definite results.

#### THE ADOPTION OF THE GOLD STANDARD BY THE REPUBLICANS

When the Republican convention assembled in St. Louis (June 16), McKinley was nominated on the first ballot, with 661 votes as opposed to 84 for Reed, his nearest competitor. Garret A. Hobart was named for the vice presidency. The position of the convention on the currency question, however, occasioned much anxiety on the part of the leaders. Regardless of the fact that McKinley and Hanna were bimetallists of long standing, inasmuch as the former had voted for the passage of the Bland-Allison Silver Act over the veto of President Hayes in 1878 and had supported the Sherman Silver Act in 1890, the delegates from the banking and industrial centers came to the convention with the avowed intention of forcing the adoption of a gold plank. Indeed, before the convention had actually assembled, both Hanna and McKinley had been won to their cause, although Hanna chose to withhold this announcement until the nomination of his candidate was assured. In its final form the platform read: "The Republican party is unreservedly for sound money. . . . We are unalterably opposed to every measure calculated to debase our currency or impair the credit of the country. We are therefore opposed to the free coinage of silver, except by international agreement with the leading nations of the earth, which agreement we pledge ourselves to promote, and until such an agreement can be obtained the existing gold standard must be maintained." When the question was brought before the ~~convention~~ the silverites, led by Senator H. M. Teller of Colorado, who had been an honored member of the Republican party since its formation, earnestly pleaded against this decisive

step, which would prevent them from accepting the platform and the party's nominee. Nevertheless, in the face of these protests the plank was adopted by  $812\frac{1}{2}$  votes to  $110\frac{1}{2}$ . Thereupon Senators Teller of Colorado, Dubois of Idaho, Cannon of Utah, and Pettigrew of South Dakota, and thirty other delegates left the hall amid the derisive shouts of "Go to Chicago!" "Take the Democratic train!" As a matter of fact, before the end of the campaign most of these men affiliated themselves with the supporters of Bryan and free silver.

#### THE CAPTURE OF THE DEMOCRATIC PARTY BY THE SILVERITES

When the Democratic convention assembled July 7 the silver advocates were in complete control. Senator Hill of New York, the leader of the gold wing of the party, whom the national committee had selected for temporary chairman, was defeated by a large majority by the silver candidate, J. W. Daniel of Virginia. The contesting silver delegations from Nebraska (of which Bryan was a member) and from Michigan were seated, and a resolution to indorse the "honesty, economy, courage, and fidelity of the present National Democratic administration" was rejected by a vote of 564 to 357. Against the protests of the gold Democrats, with whom Cleveland's adherents were affiliated, the platform embodying the complete program of the silverites was adopted by 628 to 301 votes. On the currency question it stated: "Gold monometallism is a British policy and its adoption has brought other nations into financial servitude to London. . . . We demand the free and unlimited coinage of both silver and gold at the present legal ratio of sixteen to one without waiting for the aid or consent of any other nation." The platform went much further than the indorsement of free silver. In fact, it caused consternation and amazement throughout the East. In it were embodied many of the features of the Populist platform of 1892 as well as condemnation of the issuance of interest-bearing bonds in time of peace and of "government by injunction as a new and highly dangerous form of oppression," both of which had been resorted to by Cleveland's administration.



## "THE BOY ORATOR OF THE PLATTE"

In the pre-convention campaign no concerted effort had been put forth in behalf of any individual candidate, nor had the question of the distribution of the spoils been given any special consideration. Indeed, from the beginning of the silver movement, interest had centered on the principles which should govern the party rather than on a man. To be sure, Richard P. Bland, a man in the middle sixties, had been the leading advocate of free silver, but he possessed few of the characteristics of a successful presidential candidate. Likewise, no one of the remaining thirteen aspirants for the presidential nomination loomed up as a figure of national importance or went to the convention with a large following. For several weeks, however, W. J. Bryan of Nebraska, who had detected the weakness of each of his opponents and the difficulties accompanying the nomination of any one of them, had confidently predicted his own success; but few, indeed, even among his friends, shared his optimism. Nevertheless, in the long discussion preceding the final vote on the platform the time, the subject, and the occasion met, and Bryan emerged as a national leader. Before his political career was terminated by his death in 1925, he had won a place in history comparable to that of Blaine, Clay, or Webster.

There was little in his previous life, however, to indicate either the nature or the extent of his future achievements as a popular leader. Bryan was born at Salem, Illinois, in 1860. He graduated from Illinois College in 1881 with high honors as valedictorian of his class. After studying law in Chicago he was admitted to the bar in 1883 and began his practice at Jacksonville, the old home of Stephen A. Douglas. Four years later he moved to Lincoln, Nebraska, where he engaged in his profession and in politics, the latter of which soon received the major portion of his time. In 1890 and again in 1892 he was elected to Congress from a strong Republican district and took an active part in discussions of the tariff and currency. He so distinguished himself as a speaker and a debater that he was often referred to as "the Boy Orator of the Platte." After his defeat for the

United States Senate in 1894 he entered the newspaper business as editor of the *Omaha World-Herald*.

Beginning in 1876, Bryan attended every Democratic convention up to and including that of 1896. His fine physique, magnetic presence, grace of manners, and gentleness won friends for him wherever he went. Throughout his life he was a man of deep religious conviction and simple habits. He did not smoke, drink, chew, or swear. His magnificent earnestness in all movements with which he associated himself won admiration and respect on every hand and inspired his fellow workers with true crusaders' zeal. Though he had an engaging personality, he was not a profound thinker. He had made a thorough study of the tariff and the currency questions, and he possessed a rather keen appreciation of the problems of agriculture and the need for the regulation of business; but his information on many of the political issues of the day was exceedingly limited.<sup>1</sup> Although handicapped in this respect, he had, to an unusual degree, the ability to sense the trend of public sentiment and to predict with almost uncanny accuracy the course events were destined to take. As a matter of fact many of the measures later espoused by Roosevelt and enacted into law under his guidance were not essentially different from those advocated by Bryan a decade earlier. Unlike Roosevelt, however, he appeared unable to formulate a practical program by which the evils in the industrial order which both saw with clearness could be remedied. Though both were gifted propagandists and agitators, Bryan's seriousness made whatever cause he espoused appear to him like "the truth, the whole truth, and nothing but the truth." Though lacking in great intellectual qualities, he possessed strong moral sense, moral courage, and tremendous emotional energy. In addition to these qualities of a public speaker, he had a soothing and penetrating voice which could be heard distinctly by every member of any audience. In his emotional moments he resorted

<sup>1</sup> The character of Bryan's private library indicates in a way the trend of his thought. In it were found the standard histories and the great orations of the eighties and some literature. Indeed, he purchased and read but few books during the last quarter-century of his life. In the field of economics and sociology the books which he owned were for the most part of the sort that may be classed as propaganda.

to the orator's trick of dramatizing himself through his voice, which, with his studied climaxes and polished sentences, carried conviction to the multitudes that heard him.

In the Chicago convention the opportunity for which he had waited came, and he made the most of it. Hours of time had been consumed in lengthy speeches and bitter debate, and the delegates were tired and tumultuous. Then Bryan entered with his calm, restrained, and complacent attitude, which soon captured the entire assemblage. In his address of some two thousand words, which he had carefully prepared, he advanced no new facts or arguments, but he revealed to his hearers his conviction that they were engaged in a movement for the protection of human liberty. After narrating the history of the silver movement, he said: "We have petitioned, and our petitions have been scorned; we have entreated, and our entreaties have been disregarded; we have begged, and they have mocked when our calamity came. We beg no longer; we entreat no more, we petition no more. We defy them." The conflict, he continued, was one of accumulated wealth against the struggling masses. He closed with the following momentous challenge: "Having behind us the producing masses of this nation and the world, supported by the commercial interests, the laboring interests, and the toilers everywhere, we will answer their demand for a gold standard by saying to them: 'You shall not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold!'" From the hypnotic silence which had held it, the assemblage broke into a hysteria of cheering, and delegation after delegation marched round the hall lowering their flags before Nebraska's standard. Under the influence of the "cross of gold" speech the platform embodying the silver plank was adopted, and the silver advocates were placed in undisputed control of the convention.

Bryan, however, had not entirely swept the convention off its feet, as has often been asserted, for on the first ballot the following day Bland received 235 votes to 119 for Bryan, and the favorite sons received the support of their respective delegations. On each succeeding ballot Bryan's strength increased until on the fifth he was nominated. In no previous instance in history

had a man so young as Bryan, who was then thirty-six, become the standard bearer of a great political party in a presidential campaign. Furthermore, though he had been carrying on a persistent campaign for free silver in the West and the South for a number of years, Bryan was comparatively unknown in 1896 in other sections of the country. In the East, therefore, it was but natural that certain of his radical utterances, together with the Populistic character of the Democratic platform, for which he was responsible in no small degree, should be interpreted as proof that the convention had been captured by a reckless demagogue.

#### MINOR POLITICAL PARTIES

The proceedings of the Democratic convention caused a large element in the Democratic party to bolt. Many of those who withdrew their allegiance gave their votes to McKinley as the surest means of defeating Bryan, while others associated themselves together under the name of Gold Democrats. On September 2 this latter group held a national convention at Indianapolis. After adopting a sound-money platform they passed resolutions approving Cleveland's administration and nominated General John M. Palmer of Illinois and General Simon B. Buckner of Kentucky for president and vice president respectively. To this ticket Cleveland and all the members of his cabinet except Hoke Smith of Georgia, Secretary of the Interior, gave their support. Senator Hill of New York, the leader of the advocates of sound money in the Chicago convention, together with Tammany Hall, accepted the platform and the nominees of the party in a half-hearted way. Their attitude was expressed by Hill when he remarked, "I am still a Democrat, very still."

When the convention of the People's party assembled on July 22 they were puzzled as to the course they should pursue. In the words of the temporary chairman the Democrats had "committed petty and grand larceny" at Chicago "by stealing the People's platform almost entirely." Though a fusion with the Democrats seemed the only logical way to obtain a victory

for their principles in the approaching election, such an action would certainly mean the sacrifice of their political independence and their absorption into the Democratic party. At the same time many delegates questioned the sincerity of the Democratic leaders and feared that the conservatives might soon regain control of the organization. This "middle of the road" contingent, however, staged a losing fight. The candidacy of Bryan was indorsed by a vote of 1942 to 321, but the Democratic vice-presidential candidate, Arthur Sewell of Maine, was set aside for T. E. Watson of Georgia, a Simon-pure Populist. A national silver convention approved the candidacy of Bryan and Sewell. Besides these tickets, others were placed in the field by the Prohibition, National, and Socialist Labor parties.

#### THE CAMPAIGN OF 1896

The campaign soon developed into one of intense vigor. The business interests of the country, at first inclined not to take Bryan seriously, were in much doubt before the end of the summer as to the probable outcome of the election. Mark Hanna, who had been selected as chairman of the Republican national committee at the suggestion of McKinley, was tireless in his efforts in behalf of the party. At first it was the intention of McKinley and the campaign managers to concentrate attention on the tariff; but so effective was the work of Bryan that the money question forged ahead as the major issue, and the Republicans were forced to meet it. The popularity of free silver, the attack on the courts, and the hostile attitude of the Democratic platform toward big business of every kind, together with the radical utterances of Bryan and his supporters, thoroughly alarmed the conservatives. Bryan was branded as a demagogue, a "rattle-pated idiot," a "lunatic," an "anarchist," and a "blasphemer." He was accused openly of attempting to instigate class strife, and quotations from his addresses were cited to prove the contention. Though nothing could have been further from the mind of Bryan than "overturning the government" or leading a peasants' revolt, nevertheless he engendered fear in the hearts of many Easterners. At the close of the campaign

the New York *Nation* declared, "Probably no man in civil life has succeeded in inspiring so much terror, without taking life, as Bryan," a statement which might be corroborated by many citations from speeches and printed utterances.

With this feeling prevalent, particularly among propertied people, Hanna had an easy task to collect ample funds for financing the campaign. Indeed, he never displayed his wonderful talents of organization to better advantage. Perceiving early that this was to be a campaign of education, he made his plans accordingly. After contributing \$100,000 himself, he levied stated assessments on banks and business concerns, which with few exceptions were willingly paid. So successful were his efforts that during the campaign between \$3,500,000 and \$4,000,000 were expended by the national committee alone, and a large reserve fund was at hand for use in emergency. Tracts and pamphlets in many languages were printed by the thousands. Altogether 120,000,000 pieces of printed matter were distributed from the headquarters in New York and Chicago. Of the posters which were issued in great numbers the picture of McKinley as "the advance agent of prosperity" probably had the greatest influence.

Another feature of the campaign was the employment of hundreds of orators, who went into every nook and corner of the country with a Republican message. Probably the most effective speaker in gaining votes was McKinley himself. In contrast to Bryan, who made a "whirlwind tour" of the country, he remained at his home in Canton, where he received delegations of business men, bankers, laborers, and farmers. To each of these he delivered addresses previously prepared. These "front porch" speeches, as they were termed, were then printed and sent throughout the land. At the same time the thousands of party committeemen were supplied with funds and were given instructions to transport the voters to the polls. Vehicles were hired, voters were paid for the loss of time, and an army of liberally paid workers was mustered into the service of the Republican party. In many instances large establishments informed their employees that in case of a Democratic victory operations would be discontinued, and hundreds of factories actually closed,

paid off the wage-earners, and instructed them to report for work again only in case of McKinley's success.

Meanwhile the Democrats, though limited in their resources, were waging a remarkable campaign. Bryan proved an effective speaker and probably the most marvelous campaigner America has ever known. Wherever he went crowds unprecedented in size came to see and hear "the Boy Orator of the Platte." In all he visited twenty-nine states, delivered more than five hundred addresses to a total of five million people, and journeyed more than eighteen thousand miles during the campaign. Among the numerous publications issued from the Democratic headquarters was a little book called *Coin's Financial School*, written by W. H. Harvey, a Chicago economist. This document, one hundred and twenty-five thousand copies of which were distributed, was made up of addresses purporting to be delivered daily to large audiences in Chicago. These were attended fictitiously by men prominent in business and finance, who asked questions and were answered by Coin, a "smooth little financier." So cleverly were the questions and the answers chosen that the book carried conviction to thousands of readers. Its effectiveness was enhanced by a large number of woodcuts illustrating various aspects of the silver controversy.

At the election in November, McKinley was triumphant with an electoral vote of 271 to 176. Though his popular majority exceeded 600,000 in a total vote of 13,600,000, the contest was much closer than the returns might indicate. It has been asserted that 34,000 votes in the states of Ohio, Indiana, and Kentucky if divided in the right proportion would have won those states and the presidency for Bryan. All the states north of Mason and Dixon's line and east of the Mississippi, together with Delaware, Maryland, West Virginia, North Dakota, Minnesota, Iowa, Oregon, and California, were carried by McKinley. The Republicans also received a majority in both the Senate and the House of Representatives.

The Republican victory was due undoubtedly to the fear of a business collapse in case of Democratic success rather than to any widespread approval of the principles of the Republican party. Though the currency question seemed to overshadow

everything else in the campaign, the tariff was the deciding factor in many sections, particularly in manufacturing centers and in the old Northwest. To a considerable extent the triumph was that of the business man in politics. Without the funds which business poured into the Republican campaign chest, the results of the election might have been different. As it was, however, the economic interests of the country were definitely allied for a time with the fortunes of the Republican party, and the financiers of the land needed to fear no hostile legislation during President McKinley's administration.

### WILLIAM MCKINLEY

At the time of his inauguration, March 4, 1897, McKinley was beyond doubt the most popular man in the country, a position which he retained to the day of his death. His fourteen years as a member of the House of Representatives and four years as governor of Ohio had given him ample opportunities to study the issues before the country and the best methods of administration. Furthermore, he grew intellectually every day of his presidential life. In addition to being a statesman of considerable merit he was a consummate politician. Although he was inclined to view public questions from the angle of big business, he possessed an abiding faith in the people, so much in fact that it became almost as great an influence in his life as religion.

The accession to the presidency had a profoundly sobering influence on McKinley's life, an influence which was to color practically every official act of his administration. On his way to the inaugural ceremonies he remarked to President Cleveland, "What an impressive thing it is to assume tremendous responsibilities!" An important factor in the success of his administration came from his knowledge of politics and men in politics. With but few exceptions his appointees to the diplomatic service and to administrative posts were men of recognized integrity and efficiency.

McKinley's cabinet was chosen on the basis of political expediency and personal choice. Though it contained no man of outstanding brilliance, its members were comparatively free



from the influence of party bosses and the dominance of United States senators and hence were in a position to choose their subordinates freely and honestly. Hanna, who occupied an enviable position in the party, was offered the Secretaryship of the Treasury, but declined, with the suggestion, however, that John Sherman, senator from Ohio, be appointed Secretary of State and that the governor of Ohio be prevailed on to appoint Hanna to fill the vacancy. In time these arrangements were completed, but they occasioned much criticism. Sherman, though having a distinguished record in public office of nearly half a century, was at that time seventy-four years of age and had been declining rapidly both mentally and physically for more than three years, a fact which appears to have been unknown to McKinley, a lifelong admirer of the aged statesman. Nevertheless, before many months had elapsed the seriousness of the international problems which the Secretary of State was called on to face were such that McKinley found it necessary to turn the major portion of the work of the Department over to W. R. Day, the First Assistant Secretary. Chafing under this restraint, Sherman resigned in April of the following year and was replaced by Day.<sup>1</sup> At the same time the Senate did not welcome Hanna to its membership, for his tactics in the campaign made him appear in the light of a domineering boss. Within a few weeks after the meeting of Congress, however, Hanna's humor and good fellowship, together with his ability for leadership, had won him a place as one of the half-dozen senators of the "inner circle," which included Aldrich, Allison, Hale, Platt of Connecticut, and Spooner.

#### THE DINGLEY TARIFF OF 1897

In his inaugural address McKinley emphasized the "depression in business," the "distress among the people," and the immediate need for increasing the revenues of the government, which he felt could and should be obtained by an advance of

<sup>1</sup> A diplomat is reported to have remarked when irritated by the confusion in the State Department: "I am at a loss about conducting business with your government. The head of the Department [Sherman] knows nothing; the First Assistant [Day, who was very reticent] says nothing; the Second Assistant [Adee, who was very deaf] hears nothing."

the tariff rates. To accomplish this purpose he summoned Congress to meet in extra session on March 15. McKinley and the Republican leaders in general had maintained that not only the business depression but also the financial difficulties of the government were attributable to the faulty tariff policy of the Democrats, and they interpreted the election of 1896 as a mandate from the people to revise the Wilson-Gorman Act. When Congress convened, T. B. Reed of Maine was elected Speaker for the third time and Nelson Dingley of the same state was made chairman of the House Committee on Ways and Means. Next to McKinley, Dingley was probably better informed on tariff problems than any other man in Congress. For several months he, in coöperation with Sereno E. Payne of New York and others, had been studiously working out a new tariff. Consequently almost immediately after the organization of the House of Representatives a new tariff measure, the Dingley Act, was introduced, and in less than two weeks of discussion it was pushed through the House. In the Senate, however, where the protectionist interests were more firmly entrenched, it encountered much difficulty. After weeks of debate some eight hundred and seventy-two amendments were added, most of which raised the rates approved by the House on individual items. In this form the measure was then passed by both Houses and signed by the President on July 24, 1897. McKinley was well pleased with the act and regarded it as a faithful fulfillment of the party platform. "To all our products — to those of the mines and the fields as well as to those of the shop and factory . . ." he said, "we promise the most ample protection." It was, nevertheless, in the words of one authority, "the outcome of an aggressive spirit of protection." Though the need for revenue had been imperative, the customs receipts at that time were increasing rapidly with the return of prosperity and would have been ample under normal conditions to supply the needs of the government. The high rates thus obtained were a direct result of the entrance of big business into politics.

On the whole, the Dingley Act was prepared with unusual care. By its provisions the average rates were increased from about 49.9 per cent to approximately 57 per cent, a figure in

excess of that of any previous tariff. Although the authors of the bill admitted that many duties were excessively high, they maintained that the reciprocity feature of the measure would bring about a reduction of the higher rates and at the same time increase commerce proportionally, since the bill authorized the President to enter into reciprocity agreements for a reduction of not more than 20 per cent of the Dingley rates in return for concessions in favor of American commerce. Indeed, it was with this understanding that the bill was approved by many senators and representatives. Nevertheless, when the reciprocity treaties negotiated according to the provisions of this act came before the Senate for ratification, they were rejected and the higher rate of duties continued to be collected. This measure remained in force until 1909, a longer period than any other tariff act in the history of the country.

#### THE GOLD STANDARD ACT OF 1900

Although the currency question was made the leading issue in the campaign of 1896, McKinley purposely postponed its consideration (much to the dissatisfaction of the Gold Democrats who had supported him) until the tariff had been revised and an attempt had been made to establish bimetallism by international agreement, a possibility which the Republicans had featured. As in previous international conferences called for similar purposes, however, the position of the United States was not acceptable to the leading European countries. Meanwhile the strength of the silver party was being steadily weakened, and the futility of establishing bimetallism by legislation was becoming more and more apparent. Not only was the country becoming increasingly prosperous, but the fact that the world's production of silver was remaining practically stationary while that of gold had increased from \$118,848,700 in 1890 to \$286,879,700 in 1898 resulted in more gold's being offered for coinage and a corresponding increase in the volume of currency in circulation.

When the Gold Standard Act was introduced in Congress in 1900, therefore, it encountered comparatively little opposition.

Among other things, it established the gold dollar as the standard unit of value and imposed on the Secretary of the Treasury the duty of maintaining at a parity with that standard all forms of money issued or coined. This act did not affect the legal-tender quality of the silver dollar, although it provided for the retirement of the Treasury notes of 1890 as fast as silver bullion should be coined and silver certificates issued in amounts equal to the value of the Treasury notes to be retired. In order to make these provisions effective, the Treasurer was authorized to establish a gold reserve of \$150,000,000 with which to guarantee the redemption of United States notes (greenbacks) and Treasury notes.<sup>1</sup>

Since the existing redeemable money at that time amounted to \$346,000,000 of United States notes, \$76,000,000 of silver, each dollar of which was worth only forty-seven cents, and \$331,000,000 of national bank notes, many financiers doubted the ability of the reserve to stand the strain in a severe crisis. The discovery of gold in Alaska, however, had increased materially the annual supply of that metal. This fact, with the advance in the number of bank notes, brought the per capita circulation of currency up to \$33.86 in 1907 from \$23.83, the amount at which it stood fourteen years before. As a result the prosperity of the country and the enhanced supply of money caused a general rise in prices and, with this, a steady decline in the agitation for the inflation of the currency. Thenceforth discontent was to concern itself with other conditions, such as the trusts, corrupt relations between business and politics, monopolies, and abuses in railroad management, rather than with the currency.

<sup>1</sup> For new regulations dealing with the national banking system see page 530.

## CHAPTER XVI

### THE WAR FOR THE INDEPENDENCE OF CUBA

#### ATTITUDE OF THE UNITED STATES TOWARD CUBA

Immediately after its accession to power on March 4, 1897, McKinley's administration was forced to face a serious crisis in the relations between the United States and Spain growing out of the Cuban war for independence. Indeed, ex-President Cleveland remarked to President McKinley on the day of his inauguration that he was "deeply sorry to pass on to" McKinley "a war with Spain. It will come within two years. Nothing can stop it." Though the Cuban struggle concerned the United States only indirectly, the commercial importance of the island, its unique strategic position, and the chronic discontent of its inhabitants instinctively aroused the interest of the American people and government. Throughout the history of the United States hatred of Spain and of her colonial institutions had been well-nigh universal, and everyone looked forward eagerly to the time when Cuba and Porto Rico, the last of Spain's once vast empire in the Americas, should be released from her domination.

The location of Cuba at the entrance to the Gulf of Mexico and only eighty miles from Florida caused the United States during the first quarter of the nineteenth century to develop a definite attitude toward its political and international status, which was clearly set forth by Secretary of State John Quincy Adams in a letter to the American minister to Spain in April, 1823. "These islands" [Cuba and Porto Rico], he said, "from their local position are natural appendages to the North American continent, and one of them [Cuba], almost in sight of our shores, from a multitude of considerations has become an object of transcendent importance to the commercial and political interests of our Union. Its commanding position, with reference to the Gulf of Mexico and the West Indian Seas; the character of

its population; its situation midway between our southern coast and the island of Santo Domingo; its safe and capacious harbor of Havana, fronting a long line of our shores destitute of the same advantage; the nature of its productions and its wants furnishing the supplies and needing the returns of a commerce immensely profitable and mutually beneficial, give it an importance in the sum of our national interests with which that of no other country can be compared." "So close," he continued, were "the interests of that island and of this country, the geographical, commercial, moral, and political relations, . . . that in looking forward to the probable course of events for the short period of half a century it is scarcely possible to resist the conviction that the annexation of Cuba to our Federal Republic will be indispensable to the continuance and integrity of the Union itself." A few months later Thomas Jefferson "candidly" confessed in a letter to President Monroe that he had "ever looked on Cuba as the most interesting addition which could ever be made to our system of states. The control which, with Florida Point, this island would give us over the Gulf of Mexico, and the countries and isthmus bordering on it, would fill up the measure of our political well-being."

Though the policy of the government from the time of these utterances until 1897 was not always consistent, it held as its main object successively the retention of Cuba by the weak power of Spain, or its cession to the United States, or the establishment of an independent republic under, of course, the close tutelage of the United States. In 1897, however, there was little desire on the part of the people to annex alien territory and races, although the sense of American nationality was expressing itself in many forms, and the traditional isolation, on which the country had prided itself, was fast giving way under the impact of new and rapidly expanding commerce. With Cuba in particular an intimate relationship had been established. Not only had American capital been invested in the island in large sums (amounting to \$50,000,000 in 1895), but the most of the two chief crops, sugar and tobacco, were marketed in the United States, and the trade with the island had grown to nearly \$100,000,000. Furthermore, many of the large number of Cuban boys who had

been educated in the United States returned to their homes thoroughly imbued with liberal ideas and with an intense hatred of Spain.

### THE CUBAN REVOLT OF 1895

For nearly a century the inhabitants of Cuba had been restive under Spanish authority until finally in the Ten Years' War (1868-1878) they waged a valiant struggle for independence. In the end, however, they were forced to submit to superior strength, but only after extracting promises to reform and liberalize the government of the island. Among other things the Cubans were to be allowed representation in the Cortes at Madrid, self-government in local affairs, liberal suffrage, the admission of natives to office, and the relinquishment of exploitation for the benefit of Spain. Seventeen years of comparative peace followed; but as the promises held out by the Spanish government were only partially fulfilled, there was little change in the actual conditions. It was not until 1892 that the tax qualification for suffrage was reduced from twenty-five to five dollars. After that date, however, the elections were so manipulated that the natives had little or no influence. All officials of the island were Spaniards. Moreover, of the \$26,000,000 collected in taxes more than 95 per cent was devoted to the maintenance of the army and navy in Cuba, to the interest on the large public debt incurred in the Ten Years' War, and to the salaries of the Spanish officeholders. Furthermore, only a mere shadow of local autonomy existed, and freedom of speech, press, or religion did not prevail to any considerable degree. The termination of reciprocity relations with the United States in 1894, by which Cuba's principal market for sugar was closed, and the creation of a farcical council of administration the following year caused the smoldering embers of revolt to burst forth in February, 1895, in a determined struggle for independence.

Led by Máximo Gómez, a man of ability, the insurrectionary forces were able to spread terror throughout the island and to paralyze business of every kind. Because of his inferior numbers and equipment, Gómez resorted to guerrilla warfare, with incessant skirmishing. By devastating the country he destroyed

nearly every source of revenue. Laborers were forbidden, under the threat of death as traitors, to work in connection with any sugar establishment, and plantation buildings with their connecting railroads were destroyed. As a result of these measures the patriots believed that either Spain would be exhausted or the United States would be forced to intervene to restore order and end the war.

Though the revolution had for leaders some of the men of wealth and influence in the island, it was supported chiefly by the middle and lower classes, many of them men of Negro blood. The great majority of the educated and propertied natives were ardent supporters of the Spanish régime, for they had no confidence in the ability of the liberals to govern the island; consequently they allied themselves with Spain in the war. To their acts must be assigned many of the atrocities which characterized the struggle. At no time during the entire war did the number of insurrectionists under arms exceed thirty-five thousand men, but a far greater number participated in one or more military ventures. Though a Cuban republic had been proclaimed, it had neither a capital nor an organized government. Nevertheless the revolutionary bands roamed at will over three fourths of the island, creating everywhere a condition resembling anarchy.

#### SPAIN'S ATTEMPT TO SUPPRESS THE REBELLION

Meanwhile the Spanish government was putting forth a determined effort to crush the rebellion and restore order in the island. After the governor-general, Martínez Campos, a chivalrous soldier of distinction, had utterly failed to cope with the situation, he was replaced early in 1896 by General Valeriano Weyler, a harsh, tyrannical commander. With an army of 200,000 men he constructed a fortified line of blockhouses across the island and stationed garrisons in all the towns and cities. He then ordered the wholesale destruction of all crops in the areas infested with insurgents and the concentration within eight days of the inhabitants of the rural districts in reconcentrado camps located in the vicinity of fortified towns. Into these small reservations some 400,000 men, women, and children were



herded together promiscuously and were provided inadequately with food, shelter, and clothing. Consequently these camps soon became pest holes, in which the emaciated and diseased inmates died by the thousands. Naturally these measures tended to strengthen rather than weaken the insurrection, while at the same time they excited the pity and indignation of the world.

#### CLEVELAND'S POLICY OF NEUTRALITY

In all these developments both the authorities at Washington and the American people showed the keenest interest. Not only was public sentiment fired by the sufferings of the Cubans themselves, but millions of dollars' worth of property owned by citizens of the United States was being destroyed and their trade interrupted. To complicate matters further, active Cuban juntas were maintained in the leading American cities of the East, where bonds were sold and volunteers and arms were obtained for the use of the Cuban insurrectionary forces. From the beginning the American government was seriously embarrassed by the number of Cubans who sought naturalization in the United States only to return to their native homes to participate in the rebellion with the hope that in case of misfortune their American citizenship would protect them from punishment by the Spanish authorities. Needless to say, in the carrying out of Weyler's drastic policy many native-born and naturalized American citizens were imprisoned, maltreated, and, in not a few cases, executed. The administration at Washington endeavored to secure just treatment for these unfortunate individuals and notified Spain that she would be held responsible for the destruction of American property both by the rebels and by Spanish forces.

In order to prevent American soil from being used by the Cubans as a base of operation against Spain, President Cleveland in May, 1895, warned all persons within the jurisdiction of the United States against taking part in the insurrection and announced that the neutrality laws of the country would be rigidly enforced. Nevertheless many small bands of Americans evaded the authorities and joined the rebel forces in Cuba.

Since the Cubans were without a navy, a capital, or fixed territory, Cleveland refused to recognize the independence of the republic or even its belligerency. Hence all that he could do was to press energetically against Spain all cases involving American rights, to protest against the cruelty of Weyler's measures, and to offer to mediate between Spain and the insurgents for the restoration of peace on the basis of more complete autonomy. To these overtures, however, Spain turned a deaf ear, asserting at the same time that it was the failure of the United States to enforce neutrality which made possible the continuance of the rebellion.

Meanwhile in the United States public sentiment grew steadily more hostile toward Spain, and the cause of the Cubans became more popular as the barbarous character of Weyler's policy became known. Especially effective in arousing hatred of Spain was the work of American newspapers. William Randolph Hearst, whose sensational articles appeared in his chain of papers, is reported to have stated that it cost him \$3,000,000 to bring on the Spanish-American War. Whatever his motives or those of other propagandists, however, the feeling fast became well-nigh universal that it was the duty of the United States to intervene to stop the war in the interest of humanity. In April, 1896, both Houses of Congress passed resolutions by large majorities in favor of the recognition of the belligerency of the Cubans. A little later the Democratic national convention extended its "sympathy to the people of Cuba in their heroic struggle for liberty and independence," and the Republicans recommended that because Spain had lost control of Cuba "the government of the United States should actively use its influence and good offices to restore peace and give independence to the island." In spite of the pressure that was brought to bear on him, Cleveland held to his policy regardless of the resentment of the people, which grew stronger every day. Because the economic conditions of the country were steadily improving, he did not want to disturb them by a war if he could honorably avoid it. The increasing seriousness of the conflict, however, was becoming apparent to him. In his annual message to Congress in December, 1896, he reviewed the Cuban situation at

length. In conclusion he gave a true diagnosis of the case. "When the inability of Spain to deal successfully with the insurgents," he declared, "has become manifest and it is demonstrated that her sovereignty is extinct in Cuba, . . . a situation will be presented in which our obligations to the sovereignty of Spain will be superseded by higher obligations, which we can hardly hesitate to recognize and discharge."

### McKINLEY'S CUBAN POLICY

William McKinley, who became president on March 4, 1897, was not particularly interested in foreign affairs and did not desire war with Spain over the Cuban question. Nevertheless before many days had elapsed he was compelled to give the question serious consideration. Though he had the support of the business interests of the country in his effort to maintain peace, the sentiment of the public in general and of his party in particular demanded a vigorous policy in the protection of American rights and the promotion of the cause of the Cuban revolutionists. Indeed, the Republican platform promised definite action, a mandate which McKinley hesitated wholly to disregard. Hence he moved with extreme caution, meanwhile enforcing rigidly the neutrality laws of the country. A communication from Secretary Sherman to Spain, June 27, 1897, officially announced the attitude of the new administration. In this document the government of the United States protested "against the uncivilized and inhuman conduct of the campaign in the island of Cuba" and asserted its right to demand that a war conducted so near its shores and "grievously affecting American citizens and their interests" should be "conducted according to the military code of civilization." In reply Spain denied the barbarous character of the war, attempting to justify the conduct of Weyler by citing illustrations from the American Civil War, and concluded by accusing the United States of laxness in the enforcement of neutrality.

During the latter part of September General S. L. Woodford, the American minister to Spain, presented again the views of his government and offered the good offices of the United States

for the mediation of the Cuban controversy. Before an answer had been formulated the Conservative prime minister was assassinated, and a Liberal ministry headed by Praxedes Mateo Sagasta came into power. As Spain did not desire war with the United States immediate steps were taken to satisfy the demands of the United States as far as the sensitive Spanish people would permit. General Blanco replaced General Weyler, "the Butcher," as he was popularly known in America, autonomy with an elective assembly was promised the Cubans, and instructions were given Blanco to disband the reconcentrado camps. Upon his arrival in Cuba, however, Blanco found that many months must elapse before these promised reforms could be enforced in their entirety.

In his first annual message in December, 1897, McKinley urged Congress to give Sagasta's ministry a fair chance and a reasonable amount of time in which to bring about a reconciliation with the insurgents. Events had advanced too far, however, for anything short of complete independence to be satisfactory. Not only had the Cubans flatly rejected the proffers of autonomy and declared their determination to resist to the last extremity, but the Spanish party in Cuba, particularly in Havana, equally dissatisfied with the concessions that had been made to the rebels, manifested their wrath in rioting and uttering threats of vengeance against the American residents of the city.

Unfortunately the United States, which was concerned only indirectly with the struggle between the Cuban insurgents and the Spaniards, soon became involved in a diplomatic incident with Spain. On February 9, 1898, a New York paper published a letter, surreptitiously acquired, written by the Spanish minister to the United States, Señor Dupuy de Lome, to a Madrid editor, a friend of his, who was visiting in Havana, in which he described autonomy as a failure and characterized McKinley as a "would-be politician who tries to leave a door open behind him while keeping on good terms with the jingoes of the party." Regardless of the private character of the letter, public sentiment was such that De Lome hastily resigned and his government apologized for the "indiscretions" of its official representative at Washington. The affair, though of little importance in itself,

did much to crystallize public sentiment in favor of direct intervention in Cuba.

A few days after the De Lome incident an occurrence took place in Havana which prevented the peaceful solution of the Cuban question. Late in January, when the anti-American demonstrations were at their height in Havana as a result of the concessions made to the insurgents by Sagasta's ministry, the United States battleship *Maine* was sent on a supposedly friendly visit to that harbor. The real purpose of the mission, however, was to afford protection to American citizens. On the evening of February 15, while the *Maine* was lying at her assigned anchorage, she was sunk by an explosion which killed two hundred and sixty men and wounded nearly a hundred more. Though the Spanish authorities expressed the warmest sympathy for the loss, the people of the United States were inclined to hold the Spanish government directly responsible and to demand immediate war. Captain Sigsbee, commander of the *Maine*, urged the public to withhold its opinion until an investigation should establish the real cause of the disaster. A naval court of inquiry was appointed, and after twenty-three days of constant labor transmitted its findings to the President on March 21. This indicated that the destruction of the *Maine* was caused by an explosion of a submarine mine, which in turn ignited two or more of the forward magazines in the ship. The court was unable to obtain sufficient evidence to fix the responsibility on any person or persons. Meanwhile a Spanish board of inquiry, after having made a superficial examination of the hull, which contained a great dent, reported that the accident was owing to an internal explosion. In 1911, however, when the wreckage was uncovered, it was found that the conclusions of the American court of inquiry of 1898 had been correct.

Though the responsibility for this calamity has never been determined, it is reasonably certain that the Spanish government never countenanced it. Indeed, no conceivable advantage could have accrued to her for such an act. It is possible, however, that the deed may have been committed by the Spanish hotheads at Havana or perhaps by a Cuban whose object was to bring on war between the United States and Spain.

## THE DECLARATION OF WAR AGAINST SPAIN

When the report of the court of inquiry was made known in the United States, all restraint was cast aside. Flags were unfurled everywhere, and "Remember the Maine!" became a watchword. The demand for war was soon overwhelming. Though the movement was stronger in the West and the South than in New England, the numerical strength of the advocates of peace was comparatively small. Even the religious leaders and the religious press of the land were practically unanimous in favoring intervention in Cuba to relieve the suffering of the people of that unfortunate island.<sup>1</sup> Though the press teemed with articles depicting the deplorable conditions in the reconcentrado camps, two reports in particular attracted wide attention. The first, made by Consul-General Fitzhugh Lee at Havana, December 14, 1897, stated that of 101,000 "reconcentrados" in the province of Havana alone, 52,000 had died. Of still greater influence was a speech delivered on March 17 in the Senate by the venerable Redfield Proctor of Vermont after an extended visit to Cuba, where he traveled through four of the six provinces of the island. The struggle, he declared, "is not peace nor is it war. It is desolation and distress, misery and starvation. . . . I saw no house or hut in the four hundred miles of railroad rides . . . except within the Spanish trochas." After disclaiming any desire for annexation, he concluded: "To me the strongest appeal is not the barbarity practiced by Weyler, nor the loss of the *Maine* . . . terrible as are both these incidents, but the spectacle of a million and a half of people, the entire native population of Cuba, struggling for freedom and deliverance from the worst misgovernment of which I ever had knowledge." As a matter of fact, he voiced the sentiment of the majority of those who favored intervention in Cuba.

Popular feeling, of course, was reflected in Congress; but there was a small though influential minority, headed by Presi-

<sup>1</sup> Public opinion in Spain was no less inflamed than in the United States. The press flaunted insulting cartoons and articles directed against the "Yankee pigs," which in the approaching conflict would be destroyed easily by the Spanish rapier, which was accustomed to encounter the bull, a nobler adversary.

dent McKinley, Speaker Reed, and Mark Hanna, which did everything in its power to prevent war.<sup>1</sup> With this group was affiliated big business, which never before had had such a hold on a national administration, although those concerns which had investments in Cuba or were engaged in the Cuban trade were inclined to favor intervention in the hope that it would bring about the annexation of the island to the United States.

McKinley's administration, however, was not insensible to the growing sentiment in favor of intervention. Even before the report on the *Maine* had been completed, active preparations were begun for the impending war. Naval vessels fully manned and equipped for immediate action were concentrated at strategic points, while work on all vessels under construction was speeded up and agents were sent abroad to make new purchases. Furthermore, early in March, Congress placed \$50,000,000 at the disposal of the President as "an emergency fund for national defense."

It became evident to most Americans, especially after the Havana riots, that any form of autonomy in Cuba was doomed to failure, and that this meant intervention by the United States. McKinley, however, decided to make a last desperate effort to avoid war. At the same time the Spanish ministry was equally desirous of maintaining peace, though it recognized its impossible position, inasmuch as public sentiment in Spain was such that it was forced to steer a course between war with the United States and revolution at home. According to General Woodford "the ministers" were "ready to go as far and as fast as they" could "and still save the dynasty"; and he expressed his belief that public opinion was moving steadily toward peace. The pressure in America on the President, however, was such, particularly from Congress, that nothing short of an immediate

<sup>1</sup> In Congress a far greater percentage of Democrats than of Republicans favored war. After the close of the war Champ Clark voiced the Democratic idea in his blunt way when he remarked: "We had to take you Republicans by the scruff of the neck and drag you into this war, and now you are claiming the credit for it." The attitude of Bryan is interesting in view of his later conduct. In a speech at a Jefferson Day banquet in Washington he waved a Cuban flag amidst the greatest enthusiasm and expressed the opinion that it was the duty of the United States to recognize the independence of Cuba and to intervene in her behalf even at the cost of war.

armistice would be acceptable. Consequently on March 29, the day following the delivery to Congress of the report of the court of inquiry on the *Maine* disaster, General Woodford presented an ultimatum to the Spanish government. This document, after disclaiming any desire on the part of the United States to acquire Cuba, demanded the immediate revocation of the reconcentrado order, an armistice for six months, and an agreement to the effect that in case peace were not arranged by October 1 the President of the United States should be accepted as final arbitrator between Spain and the insurgents.

In the reply of Premier Sagasta, two days later, some concessions were made, but on the whole they were conditional and unsatisfactory. General Woodford thereupon counseled patience and expressed the belief that the peace which the President desired "so much and for which" he had "labored so hard" could be obtained. McKinley, however, despairing of reaching an amicable adjustment of the question, decided to place the responsibility for the maintenance of war or peace directly in the hands of Congress. Because of the war sentiment which pervaded that body, no doubt existed as to the action that would be taken. Meanwhile the Pope and the diplomatic representatives of six of the great powers of Europe made a formal appeal to the President for peace and extended an offer of mediation. Moreover, on April 10 the Spanish government ordered the suspension of hostilities in Cuba and made further concession to American demands. Though these did not meet fully the American ultimatum, probably a large degree of autonomy could have been obtained for Cuba. So far, however, had the war feeling developed in the United States that it is reasonably certain nothing short of complete independence for Cuba would have been acceptable to Congress. At the same time it is doubtful if any other arrangement would have met with the approval of the insurgents, without which peace could not have been established.

In his war message presented to Congress on April 11, McKinley summarized the developments in the controversy with Spain and acknowledged his inability through the ordinary diplomatic channels "to relieve the intolerable condition of affairs" in



Cuba. Only forcible intervention, he declared, remained, and he asked Congress for authority to take such action as might be deemed necessary to establish peace in the island. The *Maine* was mentioned only incidentally. In a joint resolution adopted April 19 by a majority of 324 to 19 in the House and of 67 to 21 in the Senate, the independence of Cuba was recognized, the immediate withdrawal of the Spanish forces from Cuba was demanded, and the President was empowered to use the land and naval forces to carry the resolution into effect. This action was placed squarely on a humanitarian basis, and the pledge of the government was given for the withdrawal of all authority from Cuba when independence should be accomplished and a firm government established. Though the humanitarian motives of the United States were seriously questioned in many parts of the world, later developments demonstrated their sincerity. Immediately upon this action diplomatic intercourse between the two countries was severed, and the existence of a state of war was proclaimed.

The nations of Europe watched these developments with the keenest interest. The peoples of France, Italy, Austria, and Germany not only sympathized with Spain, but were skeptical of the avowed motives of the United States in entering the war. Their press was filled with the grossest caricatures, in which Americans were drawn as swine and their chief object in life was depicted as the quest for the almighty dollar. It was almost universally believed that the navy of the United States was utterly devoid of discipline and training and that her army was so hastily assembled and so poorly organized and equipped that it would be put to flight by the Spanish regulars. Accustomed as they were to a system of compulsory military service and rigid discipline over a long period of time, they could not conceive of any volunteer army, least of all an American army, as being of any special use against a force organized under the European system. Only in England did public sentiment favor the United States. To what extent this attitude was influenced by her own isolated position in world affairs and the complicated problems which then threatened her peaceful relations with Russia, Germany, and France is uncertain. It is known,

however, that she turned to America as a friend and ally. Indeed, there is much evidence to demonstrate her willingness and wish to enter into a close alliance with the United States; but because of the traditional policy of the American government on that point American public sentiment would not have countenanced it. Regardless of the unwillingness of the United States to accept the assistance of the British navy in the war with Spain and at some future time to lend her army in return, as was suggested by a British cabinet member to the American ambassador, John Hay, the genuine friendship of both the British people and their government was demonstrated most effectively on several occasions during the ensuing war.

#### THE PREPARATION FOR WAR

The announcement of the opening of hostilities against Spain was received with a feeling of relief by most Americans. At last, after long weeks of tenseness the die had been cast, and the people entered the struggle as though it were a romantic episode or a picturesque adventure. With equal enthusiasm the Southerners and the Northerners paid tribute to the national anthem and the national flag. Once more the nation was truly and inseparably one. Nevertheless the usual self-confidence with which Americans in general are abundantly endowed led them to disregard the problems which the government was soon to be called on to face. Congress, however, addressed itself to the task before it with commendable promptness. Owing to the financial depression through which the country had just passed, the Treasury was in a most unsatisfactory condition. Indeed, for the month of May it showed an actual deficit of nearly \$19,000,000. In a series of acts war taxes were levied on a wide variety of articles, which touched directly or indirectly every citizen in the country. Not only were these exactions met with comparatively little opposition, but a bond issue of \$200,000,000 was oversubscribed seven and one-half times, although the rate of interest was only 3 per cent.

In the attempt to provide an army sufficient in size and strength to expel the Spanish land force of some 200,000 men

from Cuba, the avowed objective of the American government, many unexpected problems were encountered. The Secretary of War, Russell A. Alger, a veteran of the Civil War, was too much occupied with questions of patronage to look after the real needs of the service. In spite of the fact that war had been regarded as inevitable for months, he had done little or nothing to prepare the country for it. There was no general staff, and Secretary Alger was not inclined to supplement his own incompetence by seeking professional advice. As the number of regular army officers trained at West Point constituted only a small proportion of the whole number necessary, the department was forced to draw heavily on Civil War veterans, who had been for thirty-three years without military experience. To these were added hundreds of officers from the militia and civilian life, all equally incompetent to lead an army in modern warfare. Besides these difficulties there was a woeful lack of equipment of almost every description. Though Congress attempted to remedy these weaknesses, far more time was required than was anticipated to perfect an organization and raise and equip adequately a real fighting force. An increase was authorized in the strength of the regular army, which at the time of the declaration of war stood at 28,183 officers and men. By August enlistments had brought this number up to 56,365. Since the character of the war would probably require the use of the army on foreign soil, it was wisely decided not to use the militia as it was then organized, but to form a volunteer army. By a series of acts this force was raised to a total of 200,000, with an additional 2000 cavalry, 3500 engineers, and 10,000 specially selected men who were supposed to be "immune" to tropical diseases. In response to the call for volunteers nearly 1,000,000 men offered themselves for service. From them the quotas from the various states were filled, and the troops were concentrated in camps hastily located and inadequately equipped, where such confusion existed that little was accomplished in the training and disciplining of the raw recruits for days or even weeks.

Fortunately a totally different set of conditions prevailed in the navy. For fifteen years the government had been building up a navy, and for months preceding the war the efficiently

trained officers had made every effort, with the resources at their command, to put it in condition to meet every possible emergency. As early as January the concentration of ships at strategic points was begun, and target practice was made a matter of regular routine. The deficiency in colliers, mother ships, hospital ships, and scout ships was made up in part by the purchase of more than a hundred vessels from the merchant marine, then at almost its lowest point in the history of the country, and from abroad. To man these new ships the personnel was increased from 13,750 to 24,123 men.

Over the naval forces in the north Atlantic, Rear Admiral William T. Sampson was given command, while Commodore George Dewey was placed in charge of those ships stationed in Asiatic waters. John D. Long, the Secretary of the Navy, was an excellent judge of men and an organizer of proved merit, and the Assistant Secretary, Theodore Roosevelt, a man of vision, energy, and enthusiasm, was a powerful factor in preparing the navy for the decisive part it was to play in the war.

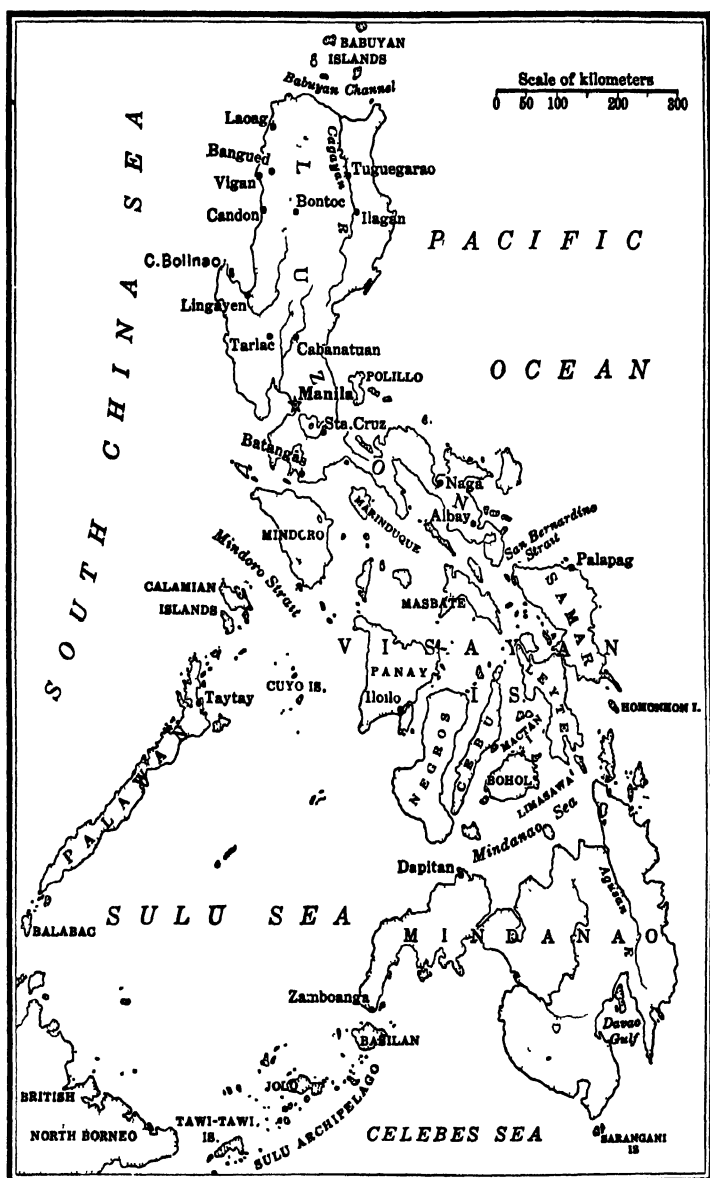
The Spanish fleet when compared ton for ton and gun for gun with that of the United States was about equal in size, although some naval authorities gave it a slight paper advantage after the loss of the *Maine*. It was stronger in armored cruisers, gunboats, and destroyers, but the Americans possessed an advantage in battleships, monitors, and protected cruisers. It developed later that in personnel and professional training the United States had an overwhelming superiority. The Spanish ships were widely dispersed, as some were stationed in the Philippines, some in Cuban and Porto Rican waters, and the remainder in Spain.

Though the first duty of the navy was to protect the American coast, it was also intrusted with the task of preparing the way for the invasion of Cuba. To accomplish these objects, it established a blockade of the island of Cuba and deployed the remainder of the fighting vessels so as to be able to ward off any possible assault on the coastal cities. Meanwhile, on April 29, a Spanish fleet under the command of Admiral Pasqual Cervera left the Cape Verde Islands for an unknown destination.

## THE BATTLE OF MANILA BAY

While public attention was centered on Cuba, where the trouble arose, and on the Atlantic coast, concerning the safety of which the greatest anxiety existed after the announcement of the approach of the powerful Spanish squadron under Admiral Cervera, the first blow of the war was delivered in the distant Pacific. There, under the command of Commodore Dewey, six war vessels of moderate size were assembled in the British port of Hong Kong and, for several weeks preceding the beginning of the war, were kept in readiness for immediate offensive action. The commander of the fleet was a man of remarkable energy and ability, a scientific expert in naval affairs, and had served under Farragut in some of the hottest fighting of the Civil War. The position of his squadron in April, 1898, in the Orient, seven thousand miles distant from any American port, was indeed singular. After a declaration of war not only would he be unable to obtain coal and other supplies from neutral ports, but he could not remain in any one of them for more than twenty-four hours without being interned for the duration of the war. It was therefore necessary for him to seek in the hostile ports of the Spanish islands in the Pacific Ocean the liberty that international law forbade him in the neutral ports of Asia.

Immediately following the declaration of war by Spain, Great Britain's proclamation of neutrality was issued, and the American fleet was faced with the alternative of departure from Hong Kong or internment. Dewey chose the former and led his fleet to Mirs Bay, some thirty miles to the north, where on the following day he received from the Secretary of the Navy the now celebrated cablegram "War has commenced between the United States and Spain. Proceed at once to the Philippine Islands. Commence operations at once, particularly against Spanish fleet. You must capture vessels or destroy. Use utmost endeavors." Two days later he set sail on the six-hundred-mile journey to Manila Bay, where the Spanish squadron under Admiral Motojo was reported to be located. When at sea Dewey had read to the crew a bombastic proclamation issued by the governor-general of the Philippines saying: "A squadron manned by foreigners pos-



THE PHILIPPINE ISLANDS

sessing neither instruction nor discipline is preparing to come to this archipelago with the ruffianly intention of robbing us of life and liberty. . . . Vain imaginings! . . . The aggressors shall not profane the tombs of your fathers, they shall not gratify their lustful passions at the cost of your wives' and daughters' honor, or appropriate the property your industry has acquired as a provision for your old age." As expected, this missive fired the sailors with enthusiasm and the determination to lead the expedition to a successful termination.

The task before the Americans was indeed hazardous. The entrance to Manila Bay was guarded by strong fortifications, and inside the spacious harbor lay the Spanish squadron backed by formidable shore batteries. Though Dewey's fleet was superior in every respect to that of his antagonists, the strength of the land fortifications when added to that of the seven ships in Montojo's fighting fleet was thought to give the Spaniards some advantage. At midnight on the thirtieth of April, Dewey successfully ran the shore batteries at the entrance to the bay, and on the following day he attacked and completely annihilated every ship in Montojo's fleet. After that the land fortifications were silenced. This remarkable achievement was accomplished without the loss of a single life and with the wounding of only seven men, while the enemy suffered three hundred and eighty-one killed and many more wounded. The vessels in the American fleet were practically undamaged and, according to Dewey, as strong as they were before the engagement.

When the news of the victory reached America, the eyes of the nation were at once turned to the Orient, and the name of Dewey was on everyone's lips. Not only did the majority of people in the United States know little or nothing about the Philippines and other Spanish possessions in the Pacific, but they had not been aware of the possibility of a naval engagement in that area. It has been said that when the joyous tidings of victory were announced to McKinley's cabinet, there was much discussion of the exact location of the scene of the battle and that in the speculations which followed the President himself was at error by one thousand miles. The moral effect of the victory was great, for it gave the country confidence in its navy

and allayed the anxiety of the cities on the Atlantic seaboard. President McKinley extended to Dewey the thanks of the American people for "his splendid achievement and overwhelming victory" and promoted him to a rear-admiralship.

#### DEWEY'S CONTROVERSY WITH ADMIRAL VON DIEDRICHS

The news of the American naval victory in Manila Bay was heard with diverse emotions in the various countries of Europe. In England it was the occasion of many public demonstrations and favorable comment from the press, but on the Continent, where a speedy Spanish triumph had been anticipated, there were universal expressions of disappointment and ominous forebodings of future developments. The *Paris Temps* on May 3 remarked editorially, "As soon as Castilian honor has received the satisfaction which it requires, will not the moment come for Europe to speak its word?" This sentiment touched a responsive chord in Germany in particular. On May 7 the *Kölnische Volkszeitung*, though not favoring intervention, expressed the belief that "the European Powers ought to exert strong diplomatic pressure at the first opportunity in order to shorten the struggle." "The Yankees," it continued, "are already swollen with pride. If they win another decisive victory, scarcely any European nation will be able to associate with them diplomatically. In view of the unfriendly sentiments entertained in the United States toward Germany, and the many economic disputes between the two countries, it is very possible that Germany may be made the next victim of American impudence."

The prevalence of such sentiments as these among German naval officers caused a serious situation to develop in Manila Bay, which for a few weeks threatened the peaceful relations between the United States and Germany. Although a number of nations sent warships to the harbor in a few weeks, the German fleet exceeded in strength that of the blockading squadron of Admiral Dewey. Its commander, Admiral von Diedrichs, violated the rules of blockade which the Americans had established, moved his ships in and out of the harbor at will, and even landed provisions for the Spanish army. His motives for



this unseemly conduct are difficult to explain except on the ground that since Germany was attempting at that time to build up her power in the Far East she resented the "intrusion" of the United States. Two years earlier China under pressure had granted to her valuable territorial and commercial concessions in the Shantung peninsula, and it is fairly possible that Germany may have had similar designs on the decrepit Spanish Empire. As a matter of fact, at the close of the Spanish-American War, Germany purchased all the remaining Spanish possessions in the Pacific. Since American statesmen had given the acquisition of the Philippines in case of an American victory little or no consideration and many officers in the government had actually disavowed any intention of expansion, Admiral von Diedrichs may have been sent to Manila Bay for definite aggressive purposes. After the war the Kaiser is reported to have remarked that had he possessed a larger fleet at the time of the Spanish-American War he "would have taken Uncle Sam by the scruff of the neck." At any rate, Von Diedrichs's conduct at Manila Bay became so objectionable that Dewey cleared his vessels for action and notified the German admiral in no unmistakable terms that the rules and regulations governing the blockade must be obeyed. After learning from Captain Chichester, the commander of the British fleet in Manila Bay, that in case of a battle between the German and American fleets the British forces would probably join those of Admiral Dewey, the German commander offered due apologies. Thus the incident closed.

#### THE BLOCKADE OF ADMIRAL CERVERA'S FLEET AT SANTIAGO DE CUBA

While the attention of the American people was temporarily centered on Dewey's remarkable victory in Manila Bay, it was realized that the decisive blow of the war would be struck in the Atlantic, probably in Cuba, at the very door of the United States. The dispatch from Spain, late in April, of one battleship, three armored cruisers, and three torpedo-boat destroyers under the command of Admiral Cervera to some unknown destination naturally caused apprehension to exist along the Atlantic sea-

coast, regardless of the fact that naval men felt certain that their objective was some port in Porto Rico or Cuba, where they could establish contact with the Spanish army and the naval vessels already stationed in the West Indies. Though these assertions of the navy coupled with their vigilance were reassuring, the tenseness of feeling tended to increase, especially as the days passed with no word of the location of the Spanish squadron. As a matter of fact, Cervera had been ordered to protect Porto Rico and to relieve the blockaded port of Havana. Because of the sluggish speed of his squadron, however, his journey across the Atlantic was so delayed that it upset not only his own plans but those of Admiral Sampson as well, who had made an admirable disposition of his fleet to intercept Cervera. On May 13 the Spanish squadron passed near Martinique. Upon learning there that Sampson was in Porto Rican waters with a large detachment of American ships, Cervera entered the harbor of the Dutch island of Curaçao for coal.

The news of the arrival of the Spanish fleet in the Lesser Antilles caused much anxiety concerning the safety of the battleship *Oregon*, which was just completing a remarkable trip of fourteen thousand miles from San Francisco around South America to the Atlantic seacoast of the United States. Since her departure from Bahia, Brazil, on May 9, no word had come from her. On May 24, however, she reached Jupiter Inlet, Florida, where her captain reported to the government at Washington, stating that she was ready for immediate service.

Meanwhile Admiral Cervera successfully eluded the American blockading force and on May 19 entered Santiago de Cuba, located at the extreme eastern end of Cuba. Since the city was partly blockaded by the insurgents and had no railway connections with Havana, and since the harbor was small, though protected from the sea by high bluffs, Cervera's expedition would obviously be useless unless he could leave the port before a formidable blockade was established. On May 28, however, his whereabouts were discovered, and after much confusion on the part of Admiral Sampson and Admiral W. S. Schley, the latter began a blockade of the harbor. Three days later Admiral Sampson arrived and took command of the operations. The progress of

this blockade, which lasted for more than a month, was followed with feverish interest by the American public. The most dramatic incident of the affair was the unsuccessful attempt made on the night of June 3 to bottle up the Spanish fleet by sinking the collier *Merrimac*, manned by Lieutenant R. P. Hobson and six seamen, in the small entrance to the harbor, immediately above which were located powerful land batteries. The failure of this experiment and the inability of the American vessels to enter the small harbor to engage the Spanish fleet in battle caused a new plan of operation to be formed which contemplated the reduction of Santiago by a combined military and naval attack. With the completion of the blockade the navy had established its superiority and had gained control of the sea. It was then possible to supply the insurgents with munitions and to dispatch an American expeditionary force to the island.

#### THE CAPTURE OF SANTIAGO DE CUBA

As the invasion of Cuba by a land force had been anticipated since the beginning of the war, several training camps were located at points from which embarkation could easily be effected. At one of these, Tampa, Florida,—a place which was wholly unsuited for such a purpose and into which only one railroad ran,—the major portion of the regular army was concentrated together with several detachments of volunteers. Among the latter was the First Volunteer Cavalry, popularly known as Roosevelt's Rough Riders because they had been enlisted by Theodore Roosevelt largely from the Southwest and comprised some three hundred full-blooded Indians, many cowboys, and a sprinkling of graduates of American universities and colleges. All the troops gathered at Tampa were placed under General W. R. Shafter, a man sixty-three years of age, weighing over three hundred pounds, who was in poor health and hence was unfitted to lead an expedition against the enemy in the tropics in midsummer. Nevertheless on June 7 he received orders to sail for Cuba at the earliest possible date with not less than ten thousand men to coöperate with the navy in the investment of Santiago.

The conditions which prevailed at Tampa illustrate graphically the state of disorganization which existed in the army at that time. Not only were the men supplied with heavy woolen clothing such as would be used in a campaign in the Far North, a condition which was not remedied for several weeks after the arrival of the army in Cuba, but the commissary department was so inefficient that much of the meat and other foods spoiled before they reached the men. When the time came for embarkation the plans for transportation were so inadequate and so poorly executed that the seventeen thousand men rushed pell-mell on to the thirty-two transports, with the result that confusion reigned everywhere and that many of the vessels were crowded to suffocation. Theodore Roosevelt thus described the disembarkation of the troops a few miles distant from Santiago: "Here we disembarked, higgledy, piggedly, just as we had embarked. Different parts of different outfits were jumbled together, and it was not light labor afterwards to assemble the various batteries. For instance, one transport had guns, and another the locks for the guns; the two not getting together for several days after one of them had been landed. Soldiers went here, provisions there; and who got ashore first largely depended upon individual activity." Though the first detachment landed on June 22, it was not until four days later that the entire expedition was on shore.

The Americans were very fortunate in that the Spaniards offered little opposition to the disembarkation of General Shafter's army and calmly awaited attack behind their fortifications. Their strength at that time was estimated at 12,000 in the city, with 5000 reinforcements near at hand. In addition to this force, their commander, General Jose Toral, could rely on the coöperation of Admiral Cervera's fleet. Though a Cuban army of some 3000 men under General Calixto Garcia was in the vicinity, it rendered little assistance to the Americans. The fighting, which began on June 24, resulted during the next eight days in the capture of a number of strategic points. Among these was San Juan Hill, the key to Santiago, in the assault on which Theodore Roosevelt and his Rough Riders won signal distinction. On July 2 the Americans approached within a mile

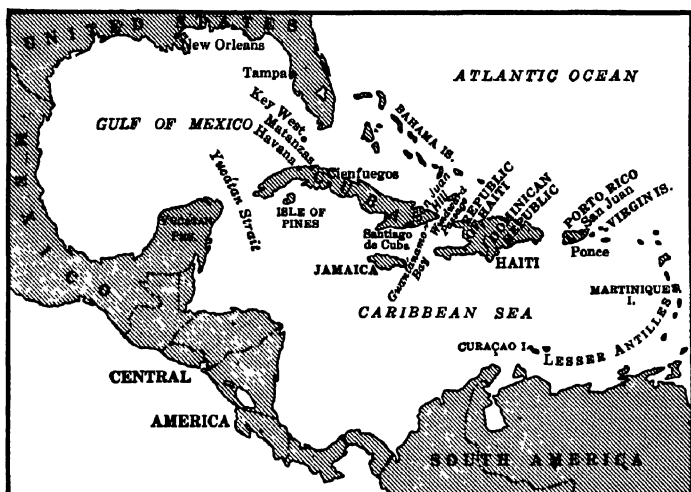
and a half of the intrenched city; but their position was unsatisfactory, and the condition of the army was really deplorable. The casualties had reached a total of nearly 1500, hundreds of others were sick or unfit for active service, and the transportation system had broken down almost entirely. The following day General Shafter notified the War Department that he was considering the withdrawal of his troops to a strong position five miles in the rear.

Meanwhile Captain-General Blanco, who was stationed in Havana with the major portion of the Spanish army and who had complete command of all the armed forces in the island, had become convinced that the surrender of Santiago was only a question of time. In this dilemma he resolved to save the fleet if possible. Accordingly he ordered Admiral Cervera to run the blockade and enter the port of Cienfuegos. Cervera, though protesting vigorously against this action as he had protested two months earlier against the dispatch of his fleet to the West Indies, bravely attempted to execute the command on July 3. In the ensuing naval engagement every vessel in his squadron was destroyed, with casualties of six hundred killed and wounded. The American loss was one killed, one wounded, and only slight damages to the ships.

The annihilation of the Spanish fleet altered the situation at Santiago materially. Though the condition of the American army grew worse rather than better, General Shafter ordered the Spaniards to surrender unconditionally. General Toral refused to comply with the demand. Then followed a week of comparative quiet. On July 10 Shafter began the bombardment of the city; and five days later, after the exchange of a number of communications, General Toral capitulated with all the troops in that military district, numbering about twenty-four thousand men, with the understanding, however, that they were to be transported to Spain by the United States.

The health of the American army in the meantime was becoming a matter of grave concern to its commanders. On August 1, 4255 men were reported sick, of whom 3164 had cases of the deadly yellow fever, while the facilities for caring for them properly were wholly inadequate. Three days later a large

number of the officers of the army, including Roosevelt, addressed a round robin to the commanding general, in which they said: "This army must be moved at once or it will perish. As an army it can be safely moved now. Persons responsible for preventing such a move will be responsible for the unnecessary loss of many thousands of lives." On that day, however, the Secretary of War had authorized the withdrawal of a portion of the army to Long Island, where a camp had been hastily put



THE CARIBBEAN AREA

into condition to receive them. The troops began to arrive about the middle of August, and within a short time the sick in that camp alone numbered 20,000.

The responsibility for the terrible conditions attending the expedition to Santiago must be placed on the War Department at Washington, although there appears to have been also an unjustifiable lack of cooperation on the part of the navy. In spite of the blunders and even of the sacrifice of life, however, the expedition to Cuba during the hot months of the summer of 1898 probably brought about a termination of the war several months earlier than would otherwise have been the case.

## THE EXPEDITION AGAINST PORTO RICO

While the siege of Santiago was in progress, General N. A. Miles, the ranking American commander, was assembling a force for the invasion of Porto Rico, in which ten thousand Spanish troops were stationed. Indeed, from the beginning of the war he had regarded that island as the best immediate objective until the appearance of Cervera at Santiago made an expedition against that city seem advisable. When its surrender indicated an early termination of the war, there was a great deal of excitement among the political generals in particular to get into action before the end came. In discussing the expedition to Porto Rico, Adjutant General Corbin remarked: "We have got to get those fellows afloat and on their way to Porto Rico before we get orders to halt hostilities. They've got to see service of some kind, or at least get a glimpse of foreign lands, and Porto Rico is our last chance. They have got to get off before we get notice of an armistice." Furthermore, the government desired to occupy that island in order to hold it as a war indemnity. It was generally agreed that in case Spain relinquished her authority in Cuba she should also be forced out of Porto Rico, the last of her American colonies. Accordingly on July 21 General Miles effected a landing on the southern shore of the island. Encountering only a perfunctory opposition, he advanced steadily until the tidings that an armistice had been signed reached him just before he had attained his main objective, the capture of the capital city, San Juan.

## THE CAPTURE OF THE CITY OF MANILA

The last important engagement of the war occurred in the Philippines. After the defeat of the Spanish fleet in Manila Bay and the bottling up of Admiral Cervera in Santiago, the remainder of the Spanish fleet, whipped hastily into fighting condition, set out eastward under Admiral Camara to contest with Dewey the occupation of the Philippines. When it had passed the Suez Canal, however, the news of the annihilation of the Spanish squadron under Cervera and the contemplated dispatch

of a powerful American fleet to Spanish waters caused Camara to be recalled.

Meanwhile Dewey's position in Manila Bay was precarious. Immediately after the destruction of the Spanish fleet he began a blockade of the port of Manila, but though he felt that he "could take the city at any time" he possessed no troops to hold it. Furthermore, though the government at Washington was hastening to dispatch naval reinforcements and an army to coöperate with him in the reduction of the city of Manila, he realized that several weeks must elapse before they could arrive. Indeed, it was not until May 25 that the first detachment of 2500 troops left San Francisco for the Philippines. By the first week in August this force had been increased to 10,700 men, a number sufficient to justify an offensive movement.

In the meantime Emilio Aguinaldo, the Filipino leader in a revolt two years earlier, who had been in exile on the mainland of Asia, had returned to his native land and had again raised the standard of revolt. Within a short time he reduced most of the Spanish outposts in the Islands, and laid the city of Manila, defended by 13,000 men, in close siege. Though Aguinaldo was permitted to return to the Islands in an American warship, Dewey took pains to give him no assurance of the recognition of an insurgent government. As a matter of fact, on May 26 Secretary Long gave Dewey definite instructions on the subject. "It is desirable," he said, "as far as possible, and consistent with your success and safety, not to have political alliances with the insurgents or any faction in the islands that would incur liability to maintain their cause in the future." Nevertheless, on June 20 Aguinaldo proclaimed the independence of the Philippines and in a patronizing way referred to the Americans as his allies. On August 13, however, when the American army under General Wesley Merritt moved on the city, General Merritt insisted that the insurgent force of 10,000 men who were between him and the Spanish lines retire to the rear. This they did eventually, but under protest, and in the ceremonies that accompanied the capitulation of the city they were allowed no part. Their resentment of this treatment was intense and was destined to have dire consequences. The surrender of



Manila on August 13 occurred on the day after the signing of the peace protocol. Though the Spaniards had offered practically no resistance, the battle would not have been fought had the cable been in operation.<sup>1</sup>

#### NEGOTIATIONS FOR PEACE

After the destruction of Admiral Cervera's fleet, early in July, the press and the business interests of both hemispheres began to ask why the war should not be brought to a close. At last Spain appreciated the hopelessness of her cause. Accordingly on July 18 she asked the French government to authorize its ambassador at Washington, Jules Cambon, to arrange with the President of the United States the preliminary terms of peace. On the twenty-sixth Cambon presented to McKinley a note in which the Spanish government frankly acknowledged its defeat and asked him to name the conditions on which the Cuban question might be settled. In the subsequent exchange of notes Spain endeavored to limit the negotiations so far as possible to Cuba; but the President insisted that the fortunes of the war had created other questions which must be included for consideration at the peace conference. In the end McKinley's contentions were accepted, although Spain expressed strong objections to their harshness. On August 12, therefore, when the army under General Miles was approaching San Juan, the capital of Porto Rico, and the day before the city of Manila surrendered to General Merritt, the protocol of peace was signed. This agreement provided for the immediate cessation of hostilities and the assembling of a peace convention in Paris not later than October 1. Spain agreed to relinquish all claim of sovereignty over Cuba, to cede to the United States Porto Rico, all her other possessions in the West Indies, and an island in the Ladrões, and to permit the United States to "occupy and hold the city, bay, and harbor of Manila pending the conclusion of a treaty of peace which shall determine the control, disposition, and government of the Philippines."

<sup>1</sup> On June 30 the Spanish island of Guam, occupying a strategic position on the way to Manila, surrendered to the Americans.

As delegates to the peace conference which assembled in Paris on October 1 McKinley appointed the Secretary of State, W. R. Day, as president of the commission, recalling John Hay from London to take his office. The other delegates were W. P. Fry, the president pro tempore of the Senate, C. K. Davis, chairman of the Senate's Foreign Relations Committee, Senator George Gray, the only Democrat on the commission, and Whitelaw Reid, editor and proprietor of the *New York Tribune*. The Spanish commissioners, after they had made an earnest request that Spain be permitted to retain Porto Rico, "the last memory of a glorious past," agreed to cede to the United States, as an indemnity, Porto Rico and Guam in the Ladrões, in neither of which was there any organized local movement for independence. The Cuban question, however, proved more difficult of solution and occupied almost the entire month of October. The Spanish commissioners, though expressing their willingness to surrender sovereignty over the island, wished to make a direct cession of the island to the United States. Furthermore, they asserted that as the separation of Cuba from Spain involved the division of the empire, the debt contracted by Spain in the island—largely in the attempts to suppress rebellions, for the security of which the Cuban revenues had been pledged—should be guaranteed by the United States. The United States, however, flatly refused to accept the permanent cession of the island or to assume the debt either for herself or for Cuba. Finally Spain was forced to yield, and the United States was left free to occupy the island until she saw fit to turn it over to the Cuban people.

The disposition of the Philippine Islands, concerning which the protocol of peace had purposely been made indefinite, proved both more important and more complicated than that of Cuba. At the time of Dewey's victory most Americans considered the operation as purely military and the annexation of foreign lands and peoples in the distant Orient as almost beyond the range of possibility. With the passing of time, however, public sentiment in the United States underwent a decided change. Even at the time of the meeting of the peace conference neither President McKinley nor the commissioners had arrived at a

definite decision in the matter. In a communication to the commissioners under date of September 16, McKinley said, "Without any original thought of complete or even partial acquisition, the presence and success of our arms at Manila imposes upon us obligations which we cannot disregard." Then after discussing the possible economic advantages that would accrue from annexation, he stated that the United States could not accept "less than the cession in full right and sovereignty of the island of Luzon." During the next few weeks the religious press reacted favorably to the statement of the President that Providence had opened a way for the spread of American civilization in the East; and Mark Hanna and business men in general, to whom the economic possibilities for the expansion of American trade made a powerful appeal, began a movement to encompass the annexation of the entire group of islands. Meanwhile reports from Admiral Dewey and General Merritt indicated the anarchistic conditions that prevailed in the Islands and the unpreparedness of the natives for independent political existence. At the same time it became evident that Spain would be unable to reassert her authority over the Islands. In this case she might be induced to dispose of the Philippines to one of the group of powers which at that time were struggling to increase their economic and political influence in the Pacific, most probably to Germany. Furthermore, the United States began to see that her retention of the Islands would give her not only a share in the business of the Orient but a voice in the determination of the problems of the Far East. After an extended trip through the West, McKinley, a past master in determining public sentiment, became convinced that the public regarded the annexation of the entire "archipelago" as the only practical solution of the question. Hence a few days later he sent definite instructions to this effect to the commission.

Against these unexpected developments Spain registered vigorous protests. Indeed, at the opening session of the conference she demanded that Manila, which had been captured the day following the signing of the armistice, should be immediately surrendered to her; and in subsequent discussions she maintained that the mere possession of Manila Bay and even of the

city of Manila gave the United States no basis for the claim to annexation on the grounds of conquest. As the Americans refused to withdraw from their position, however, it looked for a time as if the conference would be broken up and the war renewed. Eventually a virtual ultimatum caused Spain to accept a compromise by which the entire group of Philippine Islands was ceded to the United States for the consideration of \$20,000,000. With this difficult problem out of the way the treaty was quickly completed, and the pact was signed (December 10, 1898). Though public sentiment in the United States appeared to favor the annexation of these distant possessions of Spain, the responsibility for the act, the consequences for which were momentous, rested squarely on the shoulders of President McKinley.<sup>1</sup>

In the Senate and throughout the country much opposition developed to the treaty, particularly to the acquisition of the Philippine Islands, and it looked for a time as if it might be rejected. While the discussion was drawing to a close in the Senate, Bryan went to Washington and advised his followers to vote for ratification in order to end the war. As another presidential campaign was near at hand, he was looking for an issue on which the election might be won. He suggested, therefore, that the treaty be ratified with the explicit understanding that it would be made the leading issue in the campaign of 1900. Meanwhile an insurrection had broken out in the Philippines against American authority, and several members of Congress

<sup>1</sup> In an address to a Methodist gathering McKinley thus explained his attitude on the Philippine question: "The truth is I didn't want the Philippines and when they came to us as a gift from the Gods, I did not know what to do with them. . . . I sought counsel on all sides — Democrats as well as Republicans — but got little help. I thought first we would take only Manila; then Luzon; then other islands, perhaps. . . . And one night late it came to me this way — I don't know how it was, but it came: (1) that we could not give them back to Spain — that would be cowardly and dishonorable; (2) that we could not turn them over to France or Germany — our commercial rivals in the Orient — that would be bad business and discreditable; (3) that we could not leave them to themselves — they were unfit for self government — and they would soon have anarchy and misrule over there worse than Spain's was; and (4) that there was nothing left for us to do but to take them all, and to educate the Filipinos, and uplift and civilize and Christianize them, and by God's grace do the very best we could by them as our fellow-men for whom Christ also died."

who otherwise would have opposed annexation thought that national honor demanded ratification. The result was the approval of the treaty on February 6, 1899, by only one vote more than the necessary two thirds.

The signing of the treaty that brought to an end the short but decisive Spanish-American War marked a turning point in the history of the United States. From a position of isolation, which had been the chief characteristic of her foreign policy, she emerged a full-fledged world power with distant colonies and dependencies. Coincident with this transformation and closely associated with it were the unprecedented growth of American industries and the accompanying overseas expansion of the commercial interests of the country. Thenceforth she was destined to pursue a course of political and economic imperialism not dissimilar from that of other important imperial nations.

## CHAPTER XVII

### THE PASSING OF NATIONAL ISOLATION AND THE ACCESSION OF THEODORE ROOSEVELT TO THE PRESIDENCY

#### THE RESTORATION OF PROSPERITY

With the termination of the Spanish-American War the United States leaped at once into an era of unprecedented prosperity. The prolonged sectional struggles characteristic of the three preceding decades were forgotten, and the thoughts of the people turned to other things. Stimulated by the lavish expenditures of the government for supplies of every kind and for transportation, capital, which had been scarce since the beginning of the economic crisis of the middle nineties, came out of hiding. At the same time all the staple products of the country were in demand. Bounteous crops brought prosperity to agriculture, manufacturing flourished, and foreign commerce increased greatly in volume. Everywhere prices advanced, and labor found employment at enhanced wages. Within a single year the price of iron and steel products and wool nearly doubled, and the textile and other branches of industry as well as agriculture showed almost as remarkable a growth. The buoyant feeling in the business world expressed itself immediately in the establishment of new enterprises and in new combinations of capital, while existing concerns enlarged their plants and increased their output. Hundreds of millions of dollars were added to the market value of industrial stocks, and speculation assumed extraordinary proportions.

While these phenomenal developments were taking place, the condition of the Federal Treasury and of the nation's currency, which had been sources of economic confusion during the previous decade, had improved materially. Indeed, before the end of 1899 the stock of gold in the Treasury reached \$258,000,000,

the highest figure in the history of the country, and that in actual circulation exceeded \$700,000,000. The value of gold coins issued by the government during the decade following 1898 was nearly double that of the eighties and nineties. This condition, together with the increased supply of gold obtained from newly discovered fields, raised the per capita value of the circulating medium of the nation from \$23.85 in 1893 to \$30 in 1900. The throwing of these enormous quantities of gold on the market not only stimulated business but made possible the stabilization of the currency through the passage of the Gold Standard Act of 1900 (p. 346). Consequently the financial credit of the nation was strengthened both at home and abroad, and a feeling of optimism was prevalent among all classes.

This prosperity, however, although general, was unevenly distributed, for it redounded to the interests of manufacturing and commerce to a far greater extent than to that of agriculture. While during the period of 1870 to 1900 the annual production of wheat increased from 236,000,000 to 522,000,000 bushels, that of corn from 1,094,000,000 to 2,105,000,000 bushels, that of cotton from 4,352,000 to 10,100,000 bales, and that of other crops in like proportion, that of petroleum advanced from 221,000,000 to 2,672,000,000 gallons, that of coal from 29,000,000 to 241,000,000 tons, and that of pig iron from 1,665,000 to 13,789,000 tons.<sup>1</sup> The difference is illustrated further by the fact that in 1900 the value of farm products was \$4,700,000,000 as compared with \$13,014,000,000 for factories, foundries, and mills. With these figures as a background it is easy to understand why the government passed under the dominating influence of the business interests of the land.

Coincident with the industrialization of the country went the rapid growth of cities and the consolidation of business. In the single year of 1899 ninety-two new trusts were formed, some of which were capitalized at several hundred million dollars, sums which fairly staggered the imagination of the people of

<sup>1</sup> The census of 1900 gave the population as 76,000,000, of whom 29,000,000 were classed as engaged in gainful occupations. Of these, 10,400,000 were in agriculture, 7,000,000 in manufacturing, mining, and the industrial arts, 6,800,000 in personal and professional service, and 4,800,000 in trade and transportation.

that day. At the same time the enormous profits which accrued to many big business concerns made possible the accumulation of fabulous fortunes and the concentration of wealth in the hands of a comparatively small percentage of the population. Indeed, it has been estimated that as early as 1900 more than 80 per cent of the wealth of the country was owned by 10 per cent of the families.

### THE NEW IMPERIALISM

With the emergence of the United States as a great industrial nation the economic isolation on which she had prided herself quickly disappeared, and she entered into competition with other industrial countries for new markets and for access to raw materials in all the undeveloped sections of the world. Indeed, by the turn of the century conditions were present which would lead almost inevitably to imperialism. Though approximately nine tenths of the production of American industries was consumed at home, the one tenth that was exported, which exceeded in value \$1,200,000,000 annually after 1898, was sufficiently large to make the matter of foreign markets important. Furthermore, the boundless resources of the nation were ripe for exploitation, and the means were at hand for the accomplishment of this task. Before 1898 there had been little reason for expansion overseas, for the abundance of free land and opportunities for investment absorbed all available capital in the United States and attracted several billion dollars from Europe. But the Spanish-American War marked a turning point in the relations of the United States with the outside world. The rapid increase in production and wealth during the next three decades put the United States in a position not only to finance her own economic expansion but to invest heavily abroad in other words, to pass from the position of a debtor nation to that of a creditor nation. Furthermore, the concentration of capital and the consolidation of business which have been a marked feature of American economic life since 1898 have aided tremendously in financial imperialism, while at the same time the immense influence of big business on governmental policies has made itself felt in foreign fields.



The causes of this imperialism are to be found largely in the Industrial Revolution and hence are principally economic. The new inventions in machinery during the preceding half-century had increased production so enormously that additional markets had to be found for the disposal of the surplus production. At the same time the growth in the population and the consequent markets at home as well as the acquisition of others abroad made it necessary to seek new sources of raw material. Accompanying these changes was a desire on the part of those engaged in manufacturing and commerce to have the government control these sources of supply. Moreover, the tremendous increase in manufacturing and transportation eventually resulted in accumulations of capital which sought investment in foreign lands and in turn demanded protection of the government. Out of this situation grew the desire for colonies to absorb the surplus population and products of the home country and at the same time to furnish the necessary raw materials.

These economic forces had made their influence felt in Europe many years before they did in the United States. In the generation preceding the Spanish-American War, Great Britain extended her territorial possessions over 5,000,000 square miles of territory with an estimated population of 88,000,000; France, over 3,500,000 square miles with a population of 37,000,000; and Germany, over 1,000,000 square miles with a population of 14,000,000. In addition to these acquisitions, these powers, together with Russia and Japan, had established spheres of influence in the undeveloped regions of the world, thus obtaining exclusive concessions for exploitation by their capitalists.

In the rivalry which thus developed there was a heartless scramble for territorial dependencies, in which the United States before 1898 had taken no part. To be sure, her traditional policy of isolation opposed it, and her economic interests were not dependent on it. With the industrialization of the country, however, conditions were materially altered, and the Spanish-American War left her with the Philippines, Porto Rico, Guam, Hawaii, and the destiny of Cuba on her hands. The question of whether or not she should continue to adhere strictly to her policy of isolation, or heed the call of her business interests and

enter the field of world politics, immediately became one of national importance. On the one hand she could see a succession of the markets of the world being opened to her, and on the other the idealism and the political tenets of a century wrapped securely in her policy of isolation. The partial or complete sacrifice of the latter for the former meant a transition of such importance that it could not be attained without a national struggle, in which the public would need to be educated away from the narrow isolationist point of view to the broader one of world service and world politics. Opportunities which might never again appear were placed at the disposal of the United States, and the principles and doctrines which had been accepted as axiomatic were quickly examined in the new light. So rapid was the transformation of public sentiment under the spell of a victorious war and an increasing sense of the greatness of the nation and the place that it was destined to assume among the countries of the world that a diplomat at Washington was prompted to remark that he had seen two Americas, "the America before the Spanish War and the America since." To be sure, the expansion of the territory of the United States began during the early history of the country, and by the middle of the century the western boundary had been pushed across the continent to the Pacific. With the exception of Alaska, however, which was acquired later, the additions to the national domain were made in contiguous territory, for the most part sparsely populated and therefore open to American settlement and eventual admission into the Union on a basis of equality with the original states. In contrast with this system of expansion was that of imperialism, which the nation was called on to face in 1898. The Spanish islands, whose future destiny was placed at the disposal of the United States by the treaty of Paris, not only were distantly located but were inhabited by non-Anglo-Saxon races, whose civilization and geographical situation were such as to make the advisability of incorporation into the Federal Union questionable. The alternative, their retention by the United States in some form of dependence, presented problems of great seriousness to the nation. Thus the whole matter of the determination of the status of islands ac-

quired from Spain and of the future position of the United States among the nations of the world faced the government at Washington after the conclusion of peace in the spring of 1899.

### THE APPEAL TO THE PEOPLE ON IMPERIALISM

In the midst of the formulation of a policy for the government of the new insular possessions occurred the presidential campaign and election of 1900. In contrast to previous years, there was little interest in the national conventions (twelve of which were held), since the renomination of McKinley and Bryan by the two major parties was a foregone conclusion. In the Republican convention, however, there was a considerable play of politics in the selection of McKinley's running mate. In the West there was a demand for Theodore Roosevelt, who, after his retirement from the army, had been elected governor of New York. In that office he had incurred the hostility of Senator Platt, the state Republican boss, through his independent action in making appointments and in introducing efficient methods of administration. Although his candidacy was advocated also by the reform element in the party throughout the nation, Roosevelt refused to permit his name to be brought before the convention. His reform work in New York was only fairly begun, and he ardently desired his reelection to the governorship in order that he might have time to complete it. At the same time he looked on the vice presidency as an office almost completely devoid of opportunities for the display of real ability, as well as an agency for his elimination from national politics. Furthermore, neither McKinley nor Hanna wanted him to be awarded the nomination. To one of the party leaders Hanna remarked with much feeling, "Don't any of you realize that there's only one life between that madman and the Presidency?" Nevertheless, through a combination of Platt, who wished to rid New York of Roosevelt, and Senator Quay, the political boss of Pennsylvania, who had a personal grudge against Hanna, the nomination was forced on Roosevelt, who accepted it under protest and with many misgivings. The platform, which was adopted without opposition, indorsed McKinley's adminis-

tration, emphasizing especially its success in the recent war, the prosperous condition of the country, and the tariff and the gold-standard legislation.

In the Democratic convention Bryan, as had been anticipated, was named for the presidency. Regardless of the opposition to the reaffirmation of the party's position of 1896 on the currency question, he forced its approval after threatening to refuse to accept the nomination on any other condition. The platform, however, stated that the question of imperialism was the "paramount issue of the campaign." The Dingley tariff was denounced, as was the Republican attitude toward trusts.

In his speech of acceptance, "one of the most if not the most important of his political speeches," Bryan laid special emphasis on imperialism. In regard to the Philippines he declared, "If elected, I will convene Congress in extraordinary session as soon as inaugurated and recommend an immediate declaration of the nation's purpose, first, to establish a stable form of government in the Philippine Islands, just as we are now establishing a stable form of government in Cuba; second, to give independence to the Filipinos as we have promised to give independence to the Cubans; third, to protect the Filipinos from outside interference while they work out their destiny just as we have protected the republics of Central and South America, and are, by the Monroe Doctrine, pledged to protect Cuba."

McKinley took little part in the campaign on the ground that as president he "should refrain from making a political canvass in his own behalf." Roosevelt, however, toured the country, making speeches to audiences numbering more than three million. As in 1896, Bryan's ability as a campaign orator caused the greatest consternation in Republican quarters. His position on the question of imperialism struck a popular note in many sections of the country and became, as he desired, the leading issue in the campaign, although its influence was clouded by his advocacy of free silver. On election day, however, the Republicans won a striking victory. Not only did they retain control of both Houses of Congress, but they elected McKinley by an electoral vote of 292 to 155 and a plurality in the popular vote of 849,000 in a total vote of nearly 14,000,000.

## THE ASSASSINATION OF PRESIDENT MCKINLEY

At the time of his second inauguration McKinley was at the height of his popularity. Furthermore, although he did not possess a brilliant intellect or the attributes of a statesman of the first rank, he had a special gift for attaining definite results without antagonizing anybody. In this connection S. M. Cullom, for thirty years a senator from Illinois, stated: "We have never had a President who had more influence with Congress than McKinley. . . . I have never heard even the slightest friction between him and the party leaders in Senate and House. . . . He looked and acted the ideal President. He was always thoroughly self-poised and deliberate; nothing ever seemed to excite him and he always maintained a proper dignity."

His public career was soon to end, however, for on September 6, 1901, while attending the Pan-American Exposition at Buffalo, he was shot by an anarchist. He died eight days later, the third president of the United States to fall by the hand of an assassin within the space of thirty-five years.

## THEODORE ROOSEVELT

Immediately upon the announcement of the death of McKinley, Theodore Roosevelt, the fifth man to succeed from the vice presidency, took the oath as president. To the business men of the country, whose dominance in the government had been supreme during the past four years and whose trusteeship of the government had been approved by a substantial majority of the citizenry of the land in the recent election, the news came as a sudden and terrible shock. The stock market experienced a sharp decline, and for days uncertainty and chaos clouded the minds of capitalists everywhere. Not only was Roosevelt, who was forty-three years old in 1901, the youngest man who had ever occupied the White House, but his independent action, boundless energy, and boisterous method of going about whatever he undertook to do were in such striking contrast to the characteristics of his predecessor that he appeared in the light of an unknown and dangerous pilot. While Hanna and the

administrative group in general believed that the government existed to protect, encourage, and fortify business, Roosevelt looked upon it as an agency of human welfare to promote justice among the citizens, and thought that commerce was but one of many necessary functions of civilization. The difference was fundamental. Furthermore, many feared that the broad human interests of the new president, his unquestioned honesty of purpose, and his audacious courage might lead him into hasty and false positions in the transitional period through which the country was passing.

As a matter of fact, his past life and the nearly two decades that remained to him were filled with intense activity. He passed rapidly from one thing to another, and wherever he appeared interesting and original things happened. Indeed, in this respect no president, with the possible exception of Jackson, exceeded him. The secret of his life work may be found in his farewell address to the Rough Riders on the occasion of their demobilization at the close of the Spanish-American War, in which he said: "Get action; do things; be sane; don't fritter away your time; create; act; take a place wherever you are and be somebody; get action — and don't get gay."

Of his personal characteristics William Allen White in his *Masks in a Pageant* says: "THEODORE ROOSEVELT was a giant; an overgrown personality. . . . The thing which the gods gave Roosevelt in excess was energy. He was Gargantuan in his capacity for work. . . . He kept himself well trained physically; and electric energy seemed to exude from his body and emphasize his personality. His walk was a shoulder-shaking, assertive, heel-clicking, straightaway gait, rather consciously rapid as one who is habitually about his master's business. . . . But he surely was big, overwhelming, towering, monumental, a very Goliath of a personality inflated out of a common man by surplus energy. Every faculty, every purpose, every impulse, every physical and spiritual inch of him was over-engined. Yet his qualities were coördinated. He made, with all his Cyclopean features, a well-balanced man and mind." John Morley, the noted Englishman, remarked after a visit to America that the two most extraordinary things that he saw were Niagara Falls

and Theodore Roosevelt. Indeed, Roosevelt was one of the most versatile men the nation has produced. He was a swift, greedy reader on a surprisingly large variety of subjects and the author of more than thirty volumes on history, politics, and outdoor life as well as a prolific writer for magazines. These literary productions constitute a positive achievement quite aside from his more active accomplishments. With all this he found time to devote himself regularly to sports and to meet thousands of interesting people. At his table at the White House there came by special invitation all sorts and conditions of men: explorers, rich men, poor men, prize fighters, editors, writers, actors, laborers, and farmers. Anyone who accomplished definite things interested him, and he sought his company. He himself traveled widely, operated a ranch on the great Western plains, and after retiring from the presidency hunted big game in Africa and conducted an exploring expedition into the wilds of Central South America.

The main business of his life, however, was public service. Entering the legislature of New York at the age of twenty-one, he soon became a political factor in that state and an important figure in the national conventions of the Republican party. During his early thirties he served as civil-service commissioner, and at thirty-six he was made police commissioner of the city of New York. McKinley appointed him Assistant Secretary of the Navy in 1897, a position from which he resigned to participate in the Spanish-American War. There he served his country with such distinction that he was elected governor of New York on his retirement from the army. In 1900 he was elected vice president of the United States. Hence, although young in years at the time of his accession to the presidency, he had already made his impress on the nation. In the decade that was to follow few indeed were the events either domestic or foreign that did not bear the stamp of his personality.

### ROOSEVELT AT THE HELM

In many ways the succession of Theodore Roosevelt to the presidency on September 14, 1901, was one of the significant events in American history. For one thing, the reform move-

ment, which was beginning to make itself felt, found in him not only an enthusiastic exponent but a constructive statesman as well. Though the principles on which the Republican party was founded had for the most part been permanently established, the party had not pledged itself to any new program, and conservatism dominated it as never before. Hence a reshaping of the party's organization and an accommodation to the new issues were inevitable. Furthermore, the course which the leaders took would mean much to the nation as well as to the party. Under Roosevelt these changes developed in a way which would have been practically impossible under McKinley.

Although he was a loyal Republican, his opposition throughout his public career to favoritism of every kind, his independence of action, his freedom in expressing his opinion, and his aggressiveness had caused him to be feared as "unsafe" by both the professional politicians and the moneyed interests. It will be recalled that the vice presidency was forced on him because of a desire to eliminate him as a political factor. In spite of his independent attitude, however, he retained McKinley's entire cabinet, which was an able one, and attempted to work with the organization in other ways. He held frequent conferences with congressmen and political leaders within the states, but in the last analysis he was the "judge as to acting on the advice given." In his choice of subordinates Roosevelt was uncommonly successful, for he was an excellent judge of men. Moreover, he insisted on the maintenance and the extension of the merit system, which during McKinley's administration had become thoroughly demoralized by the connivance of the patronage-mongers to defeat its original intent. Within three months he had wrought a marvelous change in the morale of the civil service and had attracted to himself a large following among the rank and file of the people. By the end of his first administration a well-informed European journalist could truthfully remark, "No President has so persistently eliminated politics from his nominations, none has been more unbending in making efficiency his sole test." Nevertheless his combativeness often led him to misjudge the motives of those who disagreed with him and to heap personal abuse on them.



No one can question Roosevelt's sincerity in his announcement, made shortly before taking the oath of office, that it would be his aim "to continue absolutely unbroken the policy of President McKinley for the peace, prosperity, and honor of our beloved country." His desire to work harmoniously with his party is evident from the following statement made to Joseph B. Bishop on his first day in the White House: "I am going to do my utmost to give the country a good President. . . . I am no second Cleveland. I admire certain of his qualities, but I have no intention of doing with the Republican party what he did with the Democratic party. I intend to work with my party and to make it strong by making it worthy of popular support." To his close friend, Senator Lodge, he wrote: "It is a dreadful thing to come into the Presidency in this way; but it would be a far worse thing to be morbid about it. Here is the task and I have got to do it to the best of my ability, and that is all there is about it." Regardless of his intentions on assuming office, however, he could not prevent the difference in the two administrations from appearing in unmistakable terms before long. McKinley was a strict partisan, a consummate harmonizer, and a subservient follower of public opinion, while Roosevelt's power, magnetism, vigorous mind, and personality made him a leader rather than a follower of public opinion. Coupled with the intensity of his convictions Roosevelt had an instinct for the dramatic and an almost unexcelled capacity for advertising himself. The diversity of his interests and the wide range of his knowledge made him the central figure in any gathering. And this he thoroughly enjoyed. One of his sons once remarked that Roosevelt never attended a funeral or a wedding because he could be neither the corpse nor the bride. At the same time he possessed an uncanny ability to choose those political issues which would make a wide appeal and a faculty for characterizing events and men in terse phrases which was unsurpassed in American history. According to one of his biographers "his greatest contribution to the forward movement of the times was in the rousing of the public conscience, the strengthening of the nation's moral purpose, and the erecting of a new standard of public service in the management of the nation's affairs." From the

beginning of his public career Roosevelt took the people into his confidence and thus was able on numerous occasions to force the political leaders at Washington to support his measures.

#### THE ESTABLISHMENT OF THE CUBAN REPUBLIC

The problems that confronted the nation in the summer of 1901 were not only varied but extremely complicated. Since America had just assumed her place as a great world power, neither the duties nor the responsibilities of the position were understood at home or fully appreciated abroad. Furthermore, the determination of the status of the new insular dependencies, which was already in process of formulation, had to be completed. To this matter and the problems growing out of it Roosevelt was forced to direct his immediate attention.

Because of the geographical position of Cuba and the circumstances under which the United States entered the Spanish-American War, the situation in that island received immediate attention after the ratification of the treaty of Paris. To the amazement of most European powers preparations were begun to fulfill the pledge embodied in the Teller Joint Resolution of Congress of April 19, 1898, to leave the government and the control of the island in the hands of its people after pacification had been accomplished. The task thus assumed was stupendous, for disease and starvation were prevalent on every hand. Economic conditions were in a chaotic state, the Cuban people themselves were rent with dissensions, and practically no vestige of civil government existed anywhere. Under the guidance of Major General Leonard Wood, the military governor, and Elihu Root, the Secretary of War, however, order was established, reforms were instituted, and a permanent government was formed in an incredibly short period of time and with a marked degree of efficiency.

The first step in the establishment of self-government in Cuba was the taking of a census. This showed the population of the island as 1,572,000, of whom 6444 were Americans and of whom approximately two thirds were illiterate. Under the immediate supervision of Cubans municipal governments were established ;

and on September 15, 1900, the first general election was held under the order of the military governor, for the purpose of choosing delegates to a convention "to frame and adopt a Constitution for the people of Cuba, and, as a part thereof, to provide for and agree with the Government of the United States upon the relations to exist between that Government and the Government of Cuba."

The Constitutional Convention assembled in Havana on November 5, and by the end of February it had agreed on a constitution resembling that of the United States. Regardless of the suggestions of Secretary Root, however, concerning the form which the clauses defining the relations between Cuba and the American government should take, the convention declined to do anything which might imply that the island was under the tutelage or oversight of its powerful neighbor to the north. At the same time the intention of the United States to remain in control of the Cuban government until her wishes were complied with was made known to the convention. Accordingly Root's proposals, with some modifications and additions, were embodied in what is known as the Platt Amendment to the Army Appropriation Act of March 2, 1901. This document authorized the president to surrender the government of Cuba to its people when the future relations of the island with the United States had been defined substantially as follows and the provisions concerning this relationship had been incorporated in the Cuban constitution: (1) the independence of Cuba should not be in any way impaired nor any of its territory leased for purposes of colonization or otherwise by any compact made with a foreign power; (2) the government of Cuba should not contract any debts to pay the interest on which, together with a sinking fund for their ultimate discharge, the ordinary revenues were inadequate; (3) it should consent to the intervention of the United States "for the preservation of Cuban independence" and "the maintenance of a government adequate for the protection of life, property, and individual liberty"; (4) "to enable the United States to ~~maintain the independence of~~ Cuba, and to protect the people thereof, as well as for its own defense, the government of Cuba" should sell or lease to the United States

"certain specified . . . lands necessary for coaling or naval stations." Other provisions pledged the Cuban government to recognize the official acts of the military government in Cuba and to continue the "plans already devised . . . for the sanitation of the cities of the island." When this action of Congress was made known to the Cubans an outburst of feeling against its acceptance developed in the island. The convention rejected the proposal by a vote of 24 to 2 and sent a commission to Washington to present the Cuban point of view. When they found that the American government was unwilling to alter its position, however, the amendment was adopted (June 12, 1901) and was added as an "appendix" to the constitution. It was later embodied in a permanent treaty, which was signed at Havana on May 22, 1903.

After the approval of the Platt Amendment by the Constitutional Convention, elections were held, and on May 20, 1902, the government was handed over to the newly constituted authorities and the American military forces embarked for the United States. A cash balance of nearly \$700,000 in the treasury was transferred to the Cuban officials. Though the United States asked for the cession of four different naval bases, she obtained in the end only Guantánamo Bay and Bahía Honda Bay, to the latter of which she surrendered her claims in 1912. Moreover, in 1925, the Isle of Pines to the south of Cuba, which by a provision of the Platt Amendment was omitted "from the proposed boundaries of Cuba," was returned to the island republic.

#### POLITICAL AND COMMERCIAL RELATIONS BETWEEN THE UNITED STATES AND CUBA

During the four years of American occupation not only had stable local and national governments been established but commendable progress had been made in prison reform, in the establishment of an educational system, in the erection of public works (including harbor improvements and roads), in railway development and regulation, and in the installation of sanitary systems. Of all these achievements no single work was more

notable than the last, which through the scientific research of Dr. Walter Reed and others resulted in the discovery of means of controlling the deadly yellow fever. Furthermore, the institution of rigid sanitary regulations transformed Havana and other cities from dingy dens of filth into cities where the conditions of health compared favorably with those in the most progressive countries of the world.

Though the Cuban republic seemed to be established on solid foundations, it was soon evident that the people were unwilling to abide by the basic principle of democracy; namely, submission to the will of the majority. As a result of widespread corruption and manipulation of the election returns in 1905, the defeated party revolted against the government. This revolt culminated the following year in the reoccupation of the island by the United States. In his annual message to Congress in December, President Roosevelt stated that though the United States had no desire to annex Cuba it was "absolutely out of the question that the island should continue independent" if the insurrectionary habit should become confirmed. Meanwhile an influential element of the American public had lost faith in the ability of the Cubans to govern themselves and were demanding that the control of the island by the United States be made permanent. Under the governorship of Charles Magoon, however, much progress was made in the stabilization of conditions in the island. Consequently elections were held under American supervision in 1908, and during February of the following year the government was again relinquished to the Cubans, together with a treasury surplus of nearly \$3,000,000. Although this is the last intervention which the United States has formally and constitutionally made, disorders have marred succeeding years and have occasionally caused the landing of American marines for the preservation of order.

Meanwhile the relation between the United States and Cuba has been materially altered by the adoption of what has come to be known as the Taft-Knox "preventive policy," by which a sort of police power similar to that which President Roosevelt applied to the rest of the Caribbean was substituted for intervention. Its purpose was "to keep peace in Cuba and to stay

out of Cuba." Although subjecting the United States to the charge of "continuous intermeddling," it has been followed by succeeding presidents and has been applied to a wide variety of subjects, even to legislation of which the United States disapproved. As a rule a word of warning in the form of a statement that the government of the United States "views with alarm" or that it would be compelled "to consider what measures it must take" in such and such an eventuality has been sufficient to induce the Cubans to respect its wishes.

The economic rehabilitation of Cuba was no less a task than that of the establishment of a stable government. This was dependent principally upon the immediate recovery of two industries — sugar and tobacco; and in the case of sugar in particular it was vitally necessary that the United States make a reduction in her tariff. Cuba produces a fourth of the world's cane sugar, the exportation of which represents 85 per cent of the country's exports, and of this three fourths goes to the United States. Presidents McKinley and Roosevelt urged on Congress the granting of special tariff concessions to Cuba. It was not until December, 1903, however, that Congress acceded to these recommendations and approved a treaty of reciprocity, the provisions of which gave Cuban exporters an advantage of 20 per cent on sugar and other products of the soil and industry imported into the United States over the rates of the Dingley Tariff Act or any other tariff measure which might be subsequently enacted, and admitted certain classes of American goods to Cuba at reductions of from 20 to 40 per cent.<sup>1</sup> In 1929 the Cuban exports to the United States were \$207,421,000 and her imports from the United States, \$128,898,000, thus placing the Cuban republic eleventh among the customers of the United States. Furthermore, the value of American investments in the island is approximately \$1,500,000,000, or nearly 40 per cent of the total wealth of the country and 90 per cent of all foreign investment.

<sup>1</sup> See pages 527 and 717 for later tariff regulations concerning Cuban sugar.

## PORTO RICO

The cases of Porto Rico, the Philippines, and Guam presented problems different from those which the United States had to solve in Cuba. The treaty of cession of 1899 provided that the civil rights and the political status of the native inhabitants of these islands should be determined by Congress. In due time that body, taking advantage of the discretion thus given it, established in each instance political institutions on a basis definitely colonial, without reference to their future incorporation into the United States.

The situation in Porto Rico was peculiar in that there existed no native organization on which a governmental system could be founded. At the time of the annexation the inhabitants seemed to have had no special desire for independence, and public sentiment in the United States was practically unanimous in favor of the retention of the island. In contrast to Cuba, in which many insurrectionary movements against Spanish authority had occurred and over the possession of which numerous international complications had arisen, its history was on the whole uneventful. Moreover, its treatment at the hands of the Madrid government had been more generous than that which had obtained elsewhere in the Spanish colonial domain. For a quarter of a century before the Spanish-American War, Porto Rico had been constituted a province of the empire and, as such, had been entitled to representation in the national Cortes. Nevertheless she had had but little control over provincial and municipal affairs, and for that reason was almost wholly inexperienced in self-government. Furthermore, of the dense population of 953,243 who inhabited the limited area of 3435 square miles only 11 per cent could read and write. The fact that the judicial procedure in the island was strange and that the temperament, the mode of life, and the manners of the people differed greatly from those with which Americans were conversant made the task of establishing civil institutions based on Anglo-Saxon experience very difficult. "The system of laws that prevail here," said military Governor Davis in 1900, "is the outgrowth of quite a thousand years of human experience, and

cannot be struck down or radically changed in a day nor yet in a year." During the eighteen months of American military rule, however, much progress was made in the reorganization of the judiciary, in the reform of the financial system, in the promotion of education, in the suppression of crime, and in the improvement of sanitary conditions, which, like those in Cuba, were in a deplorable state.

Meanwhile Congress was devoting itself to a thorough study of the question of providing a satisfactory system of government for the island. This took definite form in the Foraker Act, which became a law in the early part of 1900. The wording of this measure purposely established beyond a doubt the fact that Congress had no immediate intention of incorporating the island fully within the territory of the United States. It provided not only that native inhabitants should be deemed citizens of Porto Rico instead of citizens of the United States, but that tariff duties of 15 per cent of the Dingley tariff should be placed on goods imported into the United States from Porto Rico. This was possible only if the island were regarded as foreign territory, since the Constitution specifically requires that "all duties, imposts, and excises shall be uniform throughout the United States." Congress decreed, however, that all duties collected under the tariff provisions of the Foraker Act should be turned over to the treasury of the island until the revenues from local taxation were sufficient to meet the expenses of the government. As this condition was met during the mid-summer of 1901, free trade between the United States and Porto Rico was permanently established at that time.

The Foraker Act provided further for civil government in the island, to consist of a governor and an executive council of eleven members to be appointed by the president with the consent of the Senate and of a legislative assembly elected by the qualified voters. The executive council, six of whose members were to be heads of departments and the remaining five of whom were to be native Porto Ricans, acted also as the upper house of the legislative department. The governor enjoyed the usual powers of a territorial governor, including the right to veto legislation.



## THE INSULAR CASES

Soon after the passage of the Foraker Act a number of much-mooted questions regarding the relation of the United States to the new territorial possessions were settled by the Supreme Court in what is commonly referred to as the Insular cases. If Porto Rico, Guam, the Philippines, and Hawaii were automatically incorporated into the United States when they came under the American flag, then it would naturally follow that they were entitled to all the privileges of the Federal Constitution, including that of free trade. Both Congress and the executive, however, had proceeded on the assumption that the Constitution did not "follow the flag." In a number of cases which came before the Court in 1900 and 1901 dealing with the extension of the revenue system to the island territories, the Court adopted an opportunist attitude. For the most part, the position taken by the President and Congress was sustained, and a clear declaration was made to the effect that "the Constitution does not follow the flag." At the same time, it was decreed that Porto Rico was "a territory appurtenant and belonging to the United States, but not a part of the United States within the revenue clauses of the Constitution." Although the collection of duties under the Dingley tariff of 1897 on goods entering the United States from Porto Rico was declared to be illegal because that measure did not mention Porto Rico specifically, the right of Congress to legislate for the island even in matters of revenue was sustained; and in the case of the Foraker Act, which fixed the duties for Porto Rico, the law was held to be in harmony with the Constitution. In other words, the Constitution and the laws of the United States are not applicable to the insular possessions until they have been specifically extended there by act of Congress.

## THE OCCUPATION OF THE PHILIPPINE ISLANDS

The new territory in the Pacific which came to the United States as a heritage of the Spanish-American War presented problems which were not only radically different from those

in Cuba and Porto Rico in the Caribbean but which had far-reaching international ramifications as well. Furthermore, whereas there was only slight opposition within the United States to the policy of the administration in Cuba and Porto Rico, there were decided objections against practically every official act of the government in the Philippine Islands. Not only was the situation in the Philippines novel, but the extension of American sovereignty over the archipelago under any conditions marked a radical departure from the long-established policy of the United States. The change was so great, in fact, that it was only after a prolonged struggle in the Senate that the treaty with the provision for annexation included was approved (pp. 376-380). Even among those who supported annexation at that time few indeed justified the act on other grounds than that the government as a result of the fortunes of war had been placed in such a dilemma that temporary annexation seemed the only just and practical solution of the problem. Moreover, all recognized the serious dangers that were involved in the embarkation of the United States on a policy of political imperialism which called for the extension of her authority in some form or other over millions of aliens with customs, habits, traditions, and a civilization wholly different from those of the American people. The situation was complicated further by the fact that the Philippine Islands were located near the mainland of Asia, seven thousand miles distant from the coast of the United States and three thousand more from the national Capitol. Hence the extension of American sovereignty was the beginning of a wholly new experience in government as well as in world politics.

The Philippine archipelago embraces some 7000 islands with a total area of 114,000 square miles, extending from near the Japanese-controlled island of Formosa southward for nearly 1200 miles. Of the entire group, however, less than 500 have an area of more than a square mile each, and two, Luzon and Mindanao, each contain approximately 40,000 square miles, or, together, more than two thirds of the total. The inhabitants, who numbered about 7,000,000 at the time of American annexation, are of many racial groups. Although the majority are of

Malay origin, Mongolian, Polynesian, and Indo-European stocks are represented in rather large numbers. Among the numerous languages spoken by the people, no one is highly developed or contains a native literature of any standing or is capable of fostering the growth of one. Furthermore, the native civilization ranges from the state of lowest barbarism to something approaching that of the Malay Peninsula of Asia. At the time of the Spanish-American War there existed in the Islands only a slight feeling of nationality in spite of the fact that many rebellions had occurred against the abuses of Spanish authority. In 1898, however, under the inspiration of American military successes and the able leadership of Aguinaldo, a republic had been established, extending its jurisdiction over a goodly portion of the archipelago. Nevertheless age-long feuds existed between racial groups throughout the Islands, which in the case of the Mohammedan Moros of Mindanao and the Catholic Malays were of the bitterest character. It was to this mêlée of races, religions, and hostile factions, complicated by a formidable rebellion against American authority, that McKinley's administration was forced to address itself after the conclusion of the treaty of Paris early in 1899.

Before any real progress could be made in the establishment of civil government in the Islands, the insurrection begun February 4, two days before the ratification of the treaty of Paris by the Senate, had to be suppressed, and American authority, which was at first limited to the immediate area surrounding Manila, had to be extended over the entire territory. Under the leadership of Generals E. S. Otis, Arthur MacArthur, Frederick Funston, and Franklin Bell, the Filipinos' resistance to the government was gradually overcome. It was not until 1903, however, that the last insurgent leader surrendered. Meanwhile the army of the United States in the Islands had been increased to seventy thousand, and more than a thousand "contacts" had been established with the native forces. In addition to the loss of life, it had cost the American government \$170,000,000 to pacify the Philippines.

## THE ESTABLISHMENT OF CIVIL GOVERNMENT

Immediately after the signing of the treaty of Paris and several weeks before its ratification by the Senate, President McKinley appointed a commission to study conditions in the Islands and to make recommendations concerning the formation of the policy of the United States in the archipelago. On January 31, 1900, after nearly a year of labor, this body reported that "to become self-governing and independent" the Filipinos needed the "tutelage and protection of the United States." "Should our power by any fatality be withdrawn," the report continued, "the Commission believe that the government of the Philippines would speedily lapse into anarchy, which would excuse, if it did not necessitate, the intervention of other powers and the eventual division of the islands among them."

Largely on the recommendation of this commission, McKinley in March, 1900, appointed a second commission of five members with Judge William H. Taft of Ohio as its chairman to carry on the work of organizing civil government, which had already been begun under military direction. On September 1 the legislative and civil authority previously exercised by the military governor was transferred to this new body, known as the Civil Commission, to which was granted the power "to make rules and orders having the effect of law, for the raising of revenue by taxes, customs, and imposts; the appropriations and expenditures of the public funds of the Islands; the establishment of an educational system; the establishment of an efficient civil service; the organization and establishment of courts; the institution of municipal and departmental governments; and all other matters of a civil nature for which the military governor is now competent to provide." And on March 2, 1901, Congress officially vested "all military, civil and judicial power necessary to governing the Philippine Islands" in such persons as the president might designate. By virtue of this right President McKinley, who had previously acted under his authority as commander in chief of the army, appointed Judge Taft civil governor. This legislation was followed (July 1, 1902) by the passage of the Philippine Act, which authorized the taking of a

census immediately following the suppression of the insurrection and provided that two years after its publication elections were to be held in the Christian provinces for a Philippine assembly, which, together with the Civil Commission (then enlarged by the addition of three members) acting as an upper house, was to constitute the legislative department of the government.

The commission entered on its duties with such diligence that municipal and provincial governments controlled almost exclusively by natives were soon installed. On July 30, 1907, elections were held for the eighty-one members to constitute the first assembly, and a few weeks later the government was officially installed. Meanwhile the total cost of the Islands to the United States had reached the sum of \$300,000,000, but thenceforth the local revenues were sufficient to meet the operating expenses of the government.<sup>1</sup>

### THE ACQUISITION OF THE HAWAIIAN ISLANDS

In addition to the annexation of the Philippine Islands, the period of the Spanish-American War saw an extension of American sovereignty to the Hawaiian and Samoan islands in the Pacific. The Hawaiian archipelago embraces some twenty islands, with a total area of 6449 square miles, located 2100 miles southwest of San Francisco. At the time of the discovery of the islands by the famous explorer Captain Cook in 1778, the inhabitants, who were of Polynesian stock, were estimated to have numbered 300,000, although this is probably an exaggeration. By the middle of the last century thousands of American

<sup>1</sup> One of the most difficult problems with which Governor Taft had to deal was the settlement of the controversy over the 425,000 acres of land previously held by the friars. These holdings, which were located for the most part in the vicinity of Manila and which included much of the best land of the Islands, had been assigned under the Spanish régime on long-term leases to tenants over whom the friars exercised large political powers. In the rebellion of 1896-1898 directed against these religious orders the friars were dispossessed and killed or driven into exile. After the close of the Spanish War, however, they asked the government of the United States to restore their lands to them. The question was a difficult one to handle because of the possibilities of political complications; but Taft, to whom the settlement of the matter had been intrusted, tactfully arranged in 1902, through the Pope at Rome, for the purchase of the lands for the sum of \$7,239,000. They were then resold on easy terms to the Filipinos who occupied them.

whalers and traders made the spacious harbor of Honolulu a base for their operations; and the United States, which seemed to be evolving a new policy for the protection of her interests in the Pacific, watched with an ever-vigilant eye foreign activities in that region. As early as 1842 Daniel Webster, the Secretary of State, brought the islands within the scope of the Monroe Doctrine, and many years later Secretary Blaine invited the native government to send delegates to the Pan-American Congress of 1889 on the ground that Hawaii was an integral part of the American continent. In 1876 the government at Washington entered into an agreement with that of Hawaii that the territory of the latter should never pass into the hands of any foreign power and, furthermore, that customs duties were to be mutually relinquished.

Meanwhile the government of the Islands had become somewhat unstable in spite of the fact that a liberal constitution had been granted the people. After the accession of Queen Liliuokalani to the throne in 1891 the constitution was set aside and arbitrary rule was established. The white people, together with the wealthy natives, thereupon organized an armed revolt against her authority, which soon culminated in her forced abdication and the establishment of a provisional government with S. P. Dole as president. After its recognition by England, France, Germany, and the United States, a commission was dispatched to Washington to secure American annexation. While these developments were pending, a counter-revolution was organized by a large group of natives who were encouraged and assisted in their undertaking by English and other foreign residents; but before the movement had got under way President Dole induced the new minister from the United States, J. L. Stevens, to land marines and to raise the American flag over the city of Honolulu. Meanwhile President Harrison negotiated a treaty of annexation with the commission, which provided for an annual pension of \$20,000 for the queen and a gift of \$150,000 for her daughter, the heir apparent to the throne. When the treaty reached the Senate three weeks before the end of the administration, however, public sentiment in the country as a whole was so outspoken in its hostility to the conduct of

the marines and of Stevens in particular that ratification was postponed until the beginning of the new presidency. Cleveland, immediately on his accession to office, withdrew the treaty and appointed J. H. Blount special commissioner to investigate the facts of the revolt. When the latter arrived in Honolulu he ordered the American flag hauled down and the marines to return to their ship. In his report to the President he stated that the revolution had been fomented by the American minister and made possible by the cooperation of the marines. On the basis of this information Cleveland offered the apologies of the government to the deposed queen; but without military assistance, which Congress was unwilling to provide, he could not restore her to her throne. Meanwhile the Hawaiian republic continued in control of the government of the islands. When McKinley became president in March, 1897, a new treaty of annexation was presented to the Senate, but the Democrats prevented its ratification.

After the capture of Manila Bay by Dewey at the opening of the Spanish War, however, the need for a naval station in the Pacific was so evident that Congress was induced, on July 7, to approve a joint resolution providing for annexation. By this measure the islands were annexed as "a part of the territory of the United States," but they were purposely not included within the customs limits. Two years later (1900) Congress passed an organic law, which provided the usual territorial form of government and conferred citizenship on all the citizens of the Hawaiian republic.

Under American sovereignty the Hawaiians have enjoyed unprecedented prosperity. Although the native population has declined from 130,000 in 1832 to less than 50,000 (including those of mixed blood) in 1930, their places have been taken by other more progressive and industrious peoples. The 368,336 inhabitants of the islands in 1930 comprised 43 per cent Japanese, 16 per cent Hawaiian, 11 per cent Portuguese, 9 per cent Chinese, 8 per cent Filipinos, and 13 per cent other nationalities. With American guidance and the advantage of free trade with the United States the islands have become tremendously valuable. By 1930 approximately \$130,000,000 had been paid into

the American Treasury from the income tax collected from the inhabitants of the islands. (At that time the total import and export trade was about \$200,000,000 per year. Between 1898 and 1930 the production of sugar increased from 256,000 tons to more than 900,000. Approximately 80 per cent of the pineapples of the world are grown in Hawaii, providing an industry which has been developed in recent years. Of inestimable value to the United States from a strategic point of view is the naval base at Pearl Harbor. Moreover, in contrast to conditions in Porto Rico and the Philippines, the Hawaiian Islands are an integral part of the United States. There has been no movement for independence and no sentiment whatever in the United States favoring the relinquishment of American authority there.

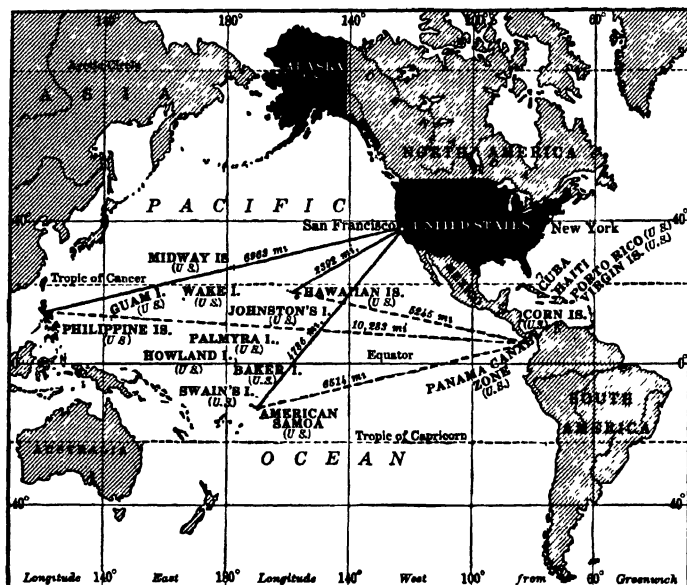
#### OTHER POSSESSIONS OF THE UNITED STATES IN THE PACIFIC

The period of the Spanish-American War not only witnessed the annexation of the Philippines and Hawaii but brought with it the extension of the sovereignty of the United States over many other groups of islands in the Pacific. The treaty of Paris provided for the cession of the island of Guam in the Ladronez, and in 1900 the government purchased from the Spanish government Sibutu and Cagayan Sulu, two islands really belonging to the Philippines but overlooked in the treaty. The same year its authority was extended over Midway and Wake islands. Indeed, for nearly half a century the American navy, in compliance with an authorization of Congress to assume temporary control of islands from which American citizens were removing guano and to prevent foreign encroachments while they were so engaged, has raised the flag over more than eighty distinct groups of islands. For the most part, however, these islands have been uninhabited and of little commercial or strategic value to the United States.

Because of the international complications as well as the strategic importance of Samoa, a detailed account of the events leading up to its ultimate acquisition by the United States is necessary. The Samoan archipelago, embracing some fourteen islands with a total area of 1100 square miles, is located 4700



miles southwest of San Francisco on the direct route to Sidney, Australia. About the middle of the last century German traders established themselves in the islands, to be followed shortly by Americans and English, who vied with them for commercial and political favors. Since the natives were frequently at war with each other, it was an easy matter for the three interested



COLONIES AND DEPENDENCIES OF THE UNITED STATES IN THE PACIFIC

powers to obtain valuable concessions from the rival native factions, which, however, overlapped to such an extent that controversies of a serious nature soon arose. Indeed, during the latter part of the eighties all three powers dispatched war vessels to Apia, the principal seaport, and for a time war between the United States and Germany seemed almost inevitable. For several weeks both the German and the American squadron, numbering three ships each, were cleared for action, and any rash move on the part of either might have brought on a battle and consequent war between the two countries. The crisis was

relieved, however, by the sudden destruction of all the vessels by a terrific hurricane. After this incident in 1889, a conference of the three powers was held in Berlin under the presidency of Bismarck, the German chancellor. In the end it was agreed that a joint protectorate by the three powers should be established over the native government. In becoming a party to this arrangement the United States discarded her policy of nonintervention in the domestic affairs of alien nations and joined hands with England and Germany in assuming responsibilities for fashioning and maintaining a system of government for this little group of islands.

As this so-called "entangling alliance" for the government of an alien subject people proved wholly unsatisfactory to all three of the powers, it was set aside in 1900. England on her part withdrew her claims in exchange for concessions in the south Pacific, and the United States and Germany divided the islands between themselves. To the United States went Tutuila and some smaller islands with a total area of seventy-five square miles. Although Germany obtained a much greater area with four fifths of the native population (thirty-five thousand), the United States acquired the harbor of Pago Pago, one of the largest and most desirable naval bases in the entire south-Pacific area.

The Spanish-American War and the acquisition of territory in the Pacific made the United States an Asiatic power in a true sense of the word. Although the total area of land thus obtained was comparatively small and the number of people brought under her sovereignty was less than eight million, she had come into the possession of some of the most strategic natural naval and commercial bases in the Pacific. Indeed, it has been said that if the United States had deliberately set about acquiring naval and commercial stations she could not have done better than she did. With excellent harbors on the western coast and in Alaska, in Hawaii in the mid-Pacific, in Guam and the Philippines in the Far East, in Samoa in the south Pacific, and in Panama, which later became American territory, the United States is in an admirable position, if she chooses, to dominate the entire area.

From an economic standpoint also these possessions are tremendously valuable to America and are destined to become even more so with the passing of time. The nations that border on the Pacific Ocean contain more than half the people of the entire world, and in the territory which they occupy are located untold natural resources the exploitation of which has only begun. In practically the whole of Asia and Oceania the old Oriental civilization is gradually breaking up and being modified in large measure by the introduction of Occidental economic and industrial methods. As this transformation takes place there will be created exceptionally attractive opportunities for economic development. Even today the markets of Asia have scarcely been scratched. This is particularly true of China, with her 440,000,000 inhabitants and her total per capita foreign trade of \$3.30 as compared with \$21.80 for the Philippines, \$34.35 for Japan, \$77.80 for the United States, and \$235.35 for Australia. A per capita increase of the trade of \$10 for China alone would represent the colossal sum of \$4,400,000,000, a prize which the industrial nations of the world may well covet. Indeed, these economic opportunities for development have been appreciated for many decades by England, France, Holland, and Russia, and, for a shorter period, by Germany, Japan, and the United States.

## CHAPTER XVIII

### ROOSEVELT AND THE CARIBBEAN

#### THE REVIVAL OF THE DEMAND FOR AN ISTHMIAN CANAL

Of the numerous international questions that came up for settlement during the decade following the Spanish-American War none aroused more popular interest than that relating to the construction of an isthmian canal connecting the Atlantic and Pacific oceans. President Roosevelt regarded it as "by far the most important action" of his administration, a belief which time has amply justified. Although the building of an inter-oceanic canal had been a constant topic of discussion in the country as well as a source of much diplomatic dickerings for more than half a century (pp. 182-186), the events of the war with Spain made it an immediate necessity. With the expansion of America's commerce into every part of the world and her acquisition of colonies and dependencies in the Pacific and the Caribbean, the question of naval strategy became of paramount importance. This was forcefully emphasized by the epoch-making voyage of 14,000 miles of the battleship *Oregon* from the naval base in the Pacific to the West Indies, where she was needed, as well as by the rising power of Japan in the Far East and her aggressive attitude toward the problems of that region. With the Atlantic coast line three thousand miles from the Pacific by land and half the distance around the world by water, the United States faced the problem of adequate defense against a possible attack from Europe or from the Far East or from the two combined. A solution of this problem could not be long delayed without serious consequences. At least three courses of action were open to her. First, she might form a defensive alliance with some power; for example, with England, by which the latter would concentrate her war fleet in the Atlantic for the protection of the interests of both powers while the United States would

act as the guardian of the Pacific. Because of American hostility to "entangling alliances," however, the people of the United States would scarcely consent to this arrangement. The second course lay in the construction of two fleets, one in the Atlantic and the other in the Pacific, each sufficiently strong to cope with any enemy or combination of enemies in its respective area. Since this would involve an enormous outlay of money for construction and maintenance, however, it was doubtful if the peace-minded Americans could be persuaded to provide the necessary funds for the carrying on of such a militaristic program as this. Therefore those in charge of the government turned instinctively to the third possibility, the construction of an interoceanic canal, as the only feasible solution of the problem. Furthermore, this alternative had the advantage not only of furnishing a reasonably quick means of transferring vessels of war from one coast to the other but also of serving in times of peace as a commercial highway between the Atlantic and the Pacific, incidentally placing the eastern seaboard of the United States in a favorable position with reference to the rapidly growing commerce of the Pacific area. So pressing had these considerations become by 1900 that the construction of a canal either by a private corporation under an international guaranty of neutrality, as provided for in the Clayton-Bulwer treaty of 1850 (p. 183), or by private ownership and operation under the exclusive control of the United States as advocated during the eighties no longer appeared adequate to meet the exigencies of the situation. Nothing short of a canal constructed, owned, and operated by the United States as a governmental enterprise seemed to provide the protection required by the new political and economic station of the United States in world affairs.

#### THE HAY-PAUNCEFOTE TREATY OF 1901

Meanwhile the State Department was exerting itself in an effort to secure the annulment of the Clayton-Bulwer treaty of 1850 with England. Though the latter had rejected overtures of this kind on previous occasions, she at last gave an attentive ear to the proposals of Secretary Hay. Consequently, after a

protracted discussion of the question an agreement was reached the provisions of which were embodied in the Hay-Pauncefote treaty of December, 1901. This document abrogated the Clayton-Bulwer treaty and gave the United States the right to construct the proposed canal under her own auspices. Though the principle of neutralization was nominally retained, it was placed under the sole guaranty of the United States, which had the power to police the canal. Thus the way was clear, as far as Europe was concerned, for the commencement of the gigantic undertaking.

#### THE SELECTION OF THE CANAL ROUTE

Nevertheless many other obstacles had to be overcome before work could be begun on the project. Two days before the Hay-Pauncefote treaty was signed the Walker Commission, appointed in 1899 to investigate the relative merits of the canal routes across Nicaragua and Panama, recommended the adoption of the former. The cost of constructing a canal through Nicaragua was estimated at \$189,864,062 and one through Panama at \$144,233,358. To the latter price, however, would need to be added \$109,141,500 for the purchase of the rights and property of the New Panama Canal Company. At the time of its reorganization, in 1894, this French company had secured an extension of its concession to October, 1904, and subsequently another extension to October, 1910, though since this last extension had not been approved by the congress of Colombia its validity was questionable. This condition, together with the company's inability to obtain funds to continue the work of construction, made the forfeiture of its franchise and property an early possibility. As a matter of fact, the report of the Walker Commission brought about a crisis in the affairs of the company. Consequently on January 4, 1902, it cabled to Washington an offer to sell at \$40,000,000, the price that the commission had placed on the property. Nine days before, however, the House had voted almost unanimously for the Nicaraguan route, but the bill was still pending in the Senate. With the reduction in the cost of construction of the proposed Panama Canal made possible by the new offer of the French company,

President Roosevelt and a majority of the Walker Commission urged Congress to locate the canal at Panama. In compliance with these wishes the House bill was so amended as to authorize the President to acquire the property of the French company at a cost not exceeding \$40,000,000 and to secure the necessary rights from Colombia for the construction of the canal, with the reservation that, if satisfactory arrangements could not be made with both Colombia and the company, he should proceed with the construction of the canal through Nicaragua. In this form the bill passed Congress and received the President's signature (June 28, 1902).

### THE HAY-HERRAN CONVENTION

After the purchase of the concessions and the property of the New Panama Canal Company, there remained the task of acquiring the right of way from Colombia. Negotiations with this object in view were begun on March 31, 1902, and completed in January of the next year, when the Hay-Herran convention was signed. Although it was not entirely satisfactory to the United States, the Senate ratified it the following March. This arrangement recognized the transfer of the property of the French company to the United States and gave the latter the exclusive right to construct and operate a ship canal across the Isthmus. Furthermore, the United States was granted full authority over a strip of land three miles wide on each side of the canal, not including the cities of Colon and Panama, for a period of ninety-nine years, with full option to continue the arrangement. In return the United States agreed to pay to Colombia \$10,000,000 in gold and an annuity of \$250,000 beginning nine years after the exchange of ratifications.

When the terms of the convention were made known in Colombia, emphatic manifestations of hostility soon appeared. For one thing, regardless of the provisions of the treaty safeguarding Colombia's sovereignty, her authority over the Canal Zone was so hedged about by the establishment of American courts and police power that the result amounted to nothing short of alienation of the territory. Another point of contention lay in the fact that the government of Colombia maintained, against

the flat denial of the United States, that it had a right to negotiate with the agents of the French company for the cancellation of the concessions of the former company, which were soon to expire. By this means it hoped to obtain for itself the sale price of \$40,000,000. In other words, a mere prolongation of the negotiations for a few months would cause this valuable property to be relinquished to Colombia because of the expiration of the period of the concession and would allow her to reap the profit. The United States, on the other hand, was equally emphatic in insisting on the ratification of the treaty immediately without alterations, charging the Colombian government repeatedly with bad faith and at the same time uttering veiled threats of retaliation in case the treaty were rejected. Nevertheless on August 12 the Colombian congress, assembled in extra session by the dictator, President Marroquin, refused by a unanimous vote to sanction the convention. From the standpoint of international law the Colombian government was wholly within its rights in rejecting the treaty, and from a business standpoint a delay might result in more favorable terms from the United States. Colombia therefore proposed to profit by the advantageous position in which she found herself.

#### THE REVOLUTION IN PANAMA AND THE HAY-BUNAU-VARILLA CONVENTION

The failure of the Colombian Congress to ratify the Hay-Herran convention was a great disappointment to both President Roosevelt and Secretary Hay, and it looked for a while as if the advocates of the Nicaraguan route might force a decision in their favor. At the same time the directors of the New Panama Canal Company were in a state of consternation, for the consummation of the purchase by the United States was dependent on the acquisition by the latter of a right of way across the Isthmus. Meanwhile the inhabitants of the province of Panama, who saw their own welfare being sacrificed for the selfish greed of the governmental clique at Bogota, prepared to take matters into their own hands. Indeed, they had never been happy under Colombian sovereignty and had revolted on



a number of occasions. At the time, therefore, when Panama saw passing away the opportunity to make herself the center of the most important trade route of the New World, she was filled with resentment for ancient wrongs. Even before the treaty was finally rejected by Colombia, open threats of revolt were heard on every hand, of the seriousness of which the government at Bogota was well aware. Furthermore, Colombia had been warned that in case of an insurrection she might incur the opposition of the United States in any attempt to suppress it.

The matter reached a crisis early in 1903, when a revolutionary junta was formed in the city of Panama under the leadership of Señor Arango and Dr. Manuel Amador. From the beginning, however, they saw that their efforts would fail without aid, either direct or covert, from the United States. Accordingly Dr. Amador was dispatched to Washington in the hope that he might obtain funds to purchase munitions of war either from private individuals or from the Panama Railroad, an American enterprise, which would be benefited by the location of the proposed canal at Panama. For a time, however, he could obtain no assurances of assistance from the government or from the railroad, which withheld the necessary funds under a threat of the confiscation of its charter by Colombia.

At this juncture Philippe Bunau-Varilla, formerly chief engineer for the French company, arrived in the United States. In a conference with Secretary Hay he learned that the government at Washington, in case of a revolution in Panama, would take advantage of the clause in the treaty of 1846 with New Granada (Colombia) which gave the United States authority to maintain uninterrupted the free transit of the Isthmus. Consequently he agreed to advance to Dr. Amador the sum of \$100,000 on condition that the Panamanians should stage their revolution and that they should appoint him, Bunau-Varilla, as their representative in Washington with plenary powers. Although without authority for the statement, he assured Dr. Amador that American war vessels would be at hand to prevent operations against the revolutionists on the part of Colombia. Soon after Dr. Amador's return to Panama the State Department was informed that a revolution would occur on November 4.

Accordingly, as a safeguard against the destruction of American property along the line of the Panama Railroad, the following instructions were sent immediately to a number of naval vessels which were ordered to the Isthmus: "Maintain free and uninterrupted transit. If interruption threatened by armed force, occupy the line of the railroad. Prevent landing of armed force with hostile intent, either government or insurgent, either at Colon, Porto Bello, or other points." On the day of the issuance of this order the *Nashville* arrived at Colon, as well as some four hundred and fifty Colombian soldiers. The announcement of the presence of an American war vessel encouraged the revolutionists in the city of Panama to hasten the perfection of their organization and to assemble a small military force. Meanwhile the Colombian forces at Colon, which were preparing to cross the Isthmus by means of the railroad to put down the insurrection, were informed by the commander of the United States marines that he had orders from his government to prevent the transit of troops by either of the warring parties. Two days later, after filing vigorous protests, the Colombian troops reembarked for Cartagena. Thus, unable to land troops to suppress a rebellion in her own territory without fighting the United States, Colombia was forced to bow to the inevitable, although she submitted with the greatest resentment.

The outcome was that the revolutionary government was sanctioned on November 4 by a mass meeting in the city of Panama and was recognized as a new republic by the government at Washington two days later. Negotiations begun at once with Bunau-Varilla for the acquisition by the United States of the canal rights moved forward with such dispatch that on November 18 the Hay-Bunau-Varilla convention was officially signed. By this agreement the United States guaranteed the integrity of Panama and received on her part in perpetual lease a strip of land ten miles wide across the Isthmus for the construction of a canal. For this concession she was to pay the sum of \$10,000,000 in cash and an annuity of \$250,000 a year beginning in 1913.

In spite of the frequent charges to the contrary it is probably true, as Roosevelt, Hay, and Root maintained, that neither the government at Washington nor any responsible member of it

had a part in fomenting the insurrection or in giving assurances of assistance to the Panamanians in case of revolt. Nevertheless the attitude of the administration was such as to give encouragement, at least indirectly, to the leaders of the insurrection, and its interpretation of the treaty of 1846 with New Granada was certainly far-fetched. Indeed, the United States had explicitly agreed to maintain the sovereignty of New Granada and on at least seven occasions prior to 1903 had landed marines to preserve order along the route of the Panama Railroad. Moreover, it is hardly conceivable that New Granada would have consented willingly to surrender the right to suppress insurrectionary movements within her own borders. Furthermore, the hasty recognition of the republic of Panama was almost unprecedented, as well as in striking contrast to the policy which the United States government usually assumed under similar circumstances.

Both Roosevelt and Hay, however, felt that the position of Colombia was unjustified and that both the national interest and the safety of the United States necessitated the action which they took. Even before the revolution began Hay had suggested to Roosevelt that they proceed with the canal provided "we have a color of right"; and Roosevelt himself stated, "We shall purchase all the rights of the Panama company and, without any further parley with Colombia, enter upon the completion of the canal which the French company has begun."

Colombia not only protested against the unfriendly behavior of the United States but refused steadfastly to recognize the republic of Panama. Though Roosevelt's successors in the presidency attempted to bring about a reconciliation, it was not until 1922, three years after his death, that a satisfactory settlement of the question was made, by the terms of which the United States agreed to pay to that country the sum of \$25,000,000.

### THE PANAMA CANAL

In the construction of the canal so many difficulties were encountered that work was not begun until 1906. The question of sanitation and the obtaining of a satisfactory labor supply,

as well as the more intricate problems of excavating soil and building locks in regions where landslides constantly threatened to destroy the work, proved an engineering task of unprecedented size. At length, however, the obstacles were overcome, so that in August, 1914, the Canal was opened to the passage of vessels. The capital cost of the Canal, including fortifications and the payment to Colombia, exceeded half a billion dollars. From the date of its opening the use of the Canal has steadily increased. Although the full capacity of the Canal had not been attained, that eventuality was approaching so rapidly that Congress in 1929 appointed a commission to make estimates of costs and plans for the construction of an additional waterway through Nicaragua.

One difficulty of a diplomatic nature arose over the interpretation of the provision of the Hay-Pauncefote treaty that the Canal should be open to vessels of all nations on terms of entire equality when, in 1912, Congress exempted from the payment of tolls vessels engaged in the coastwise traffic, representing more than half the total tonnage. When the British government protested against this exception, suggesting that the question be submitted to arbitration, the United States not only refused to agree to arbitration but maintained that in the treaty the words "all nations" did not concern the domestic trade carried on by water between the American Atlantic and Pacific coasts. On the urgent request of President Wilson, however, who felt that the British contention was correct, Congress in 1914 repealed the toll-exemption legislation (p. 535), although it stated that the act should not be construed as a relinquishment of the right of the United States to discriminate in favor of her own vessels passing through the Canal.

### THE VENEZUELAN-DEBT CRISIS

As a corollary to the extension of American economic interests into the Caribbean region and the formulation of definite plans for the piercing of the Isthmus of Panama with a great commercial and strategic interoceanic waterway, the United States gradually evolved a new, aggressive foreign policy which

had as its object the protection of these interests. The early stages of its development are evident in the action of the Washington government in relation to the controversy between England, Germany, and Italy, on the one hand, and the republic of Venezuela, on the other, over the collection of debts in the latter.

In her eight decades of independent existence Venezuela, like most Caribbean countries, had undergone frequent revolutions, numerous changes in the form of government, and domination by self-seeking classes and dictators of the worst sort. Both the government and the people had incurred heavy financial obligations; and valuable grants, concessions, and privileges had been made to foreigners, sometimes in legitimate ways but more often for illegitimate purposes. These uncertain political and financial conditions proved fertile soil for difficulties with creditor nations. Neither the interest nor the principal of the external public debt was paid with any degree of regularity, and on a number of occasions the debt itself was repudiated. Over a period of seven decades the debt contracted in England had been in default for forty years. So serious had the situation become by 1902 that the English government felt constrained to deliver ultimatums to Venezuela on three different occasions within a period of six months. The most important demands were for interest, many years in arrears, on government bonds; the payment of dividends guaranteed by the Venezuelan government on public and private establishments financed by Englishmen; and indemnity for losses, compulsory loans, and damages suffered by British subjects during the revolution led by Castro in 1899.

Following the lead of England, Germany proffered the claims of her citizens and, after the rejection of a proposal to arbitrate the question, prepared to resort to coercion. Before opening hostilities, however, she notified the United States of her intentions. In a communication dated December 11, 1901, she stated that though it might be necessary for her to blockade certain Venezuelan ports and possibly assume temporary control of certain harbors and the levying of duties at those places, "under no circumstances" did she consider "the acquisition or

the permanent occupation of Venezuelan territory." In his reply Secretary Hay called attention to the statement of President Roosevelt on the question of the Monroe Doctrine in his message to Congress in December, 1901, in which he said: "This doctrine has nothing to do with the commercial relations of any American power. . . . We do not guarantee any State against punishment if it misconducts itself, provided that punishment does not take the form of the acquisition of territory by any non-American power." In a similar communication to the British government, which also contemplated the use of force against Venezuela, Secretary Hay said that "the United States Government, although they regretted that European powers should use force against Central and South American Countries, could not object to their taking steps to obtain redress for injuries suffered by their subjects, provided that no acquisition of territory was contemplated."

Meanwhile England, Germany, and Italy decided to participate in a joint military demonstration against Venezuela to force a settlement of the claims of their respective subjects. They seized four Venezuelan gunboats, bombarded two forts, and declared the coast in a state of blockade. In this predicament President Castro offered to submit the question to arbitration, but his proposals were so indefinite and unsatisfactory that they were acceptable to no one of the three powers. In England, however, public sentiment was so hostile to the action of the government in the matter that its aggressive attitude was immediately altered in the direction of conciliation and peaceable adjustment. At the same time Germany, which had apparently followed the leadership of England in the matter, became obdurate and unwilling to make concessions of any kind; in fact, she had ~~no desire to~~ encourage "the idea of arbitration" and informed the British government to that effect.

The American public watched these developments with increasing apprehension. In fact, President Roosevelt became fearful lest the results of the blockade might lead to the permanent occupation of a part of Venezuelan territory. He was especially suspicious of the attitude of Germany, whose insatiable desire for colonial possessions had led her previously to

commit serious breaches of international law in China and elsewhere. Consequently, as a precautionary measure against any infringement on the Monroe Doctrine, he dispatched through Secretary Hay a communication to the British and German governments urging them in the strongest terms to submit the question at issue with Venezuela to arbitration. England at once expressed her willingness to comply with his wishes, but Germany remained noncommittal. In time, however, Roosevelt brought sufficient pressure to bear on Germany to force her acceptance of his program. Just how he accomplished this remains a controversial question to this day; though in later years he asserted that he concentrated the major portion of the American fleet in West Indian waters and notified the German ambassador that unless a favorable reply was received to his proposal within a stated period of time Admiral Dewey would be ordered to Venezuelan waters. On April 2, 1903, Roosevelt gave the following explanation for American intervention in the Venezuelan affair: "The concern of our government was . . . to keep an attitude of watchful vigilance and see that there was no infringement of the Monroe Doctrine, no acquisition of territorial rights by a European power at the expense of a weaker sister republic — whether this acquisition might take the shape of an outright seizure of territory or the exercise of the control which would in effect be equivalent to such seizure. . . . At the same time the existence of hostilities in a region so near to our doors was fraught with such possibilities of danger in the future that it was obviously no less a duty to ourselves than our duty to humanity to endeavor to put an end to that." In this terse statement is to be found the germ of the new Caribbean policy, which was grounded not only on a strict adherence to the Monroe Doctrine but also on a growing determination to protect and promote the rapidly expanding commercial, political, and strategic interests of the United States in the entire area.

By the terms of the agreement the claims of England, Germany, and Italy, as well as those of seven other nations, including the United States, were submitted to mixed commissions for adjustment. The mixed commissions completed their work in 1903, ordering approved claims paid by Venezuela, 30 per cent

of whose revenues were set aside for the purpose. The equity of the demands of the allied powers may be judged from the fact that the commissions validated barely one fifth of the sum demanded. Furthermore, the awards are highly instructive in that they illustrate the injustice of resorting to measures of coercion for the collection of pecuniary claims.

### THE DRAGO DOCTRINE

From the beginning of the controversy the Venezuelan government maintained that the settlement of the claims of aliens was an internal matter subject to Venezuelan laws and the decision of Venezuelan courts, and was in no sense a proper issue for diplomatic arrangement. It based its contention on the Calvo, or Drago, Doctrine, a new feature of international law which was set forth first in a work by Carlos Calvo, a prominent Argentine jurist, and which was enlarged and popularized by Luis Drago, the Argentine minister for foreign affairs. In December, 1902, Drago formally protested against the coercive blockade of Venezuela for the collection of debts. The "collection of loans by ~~military~~ means implies territorial occupation to make it effective," he declared, "and territorial occupation signifies the suppression or subordination of the governments of the countries on which it is imposed." "The capitalist," he continued, "who supplies any money to a foreign State always takes into consideration the resources of the country and the more or less probabilities that the obligations contracted shall be fulfilled without difficulty. . . . Besides, the creditor knows that he contracts with a sovereign entity and that it is an inherent condition of all sovereignty that executive proceedings against it cannot be entered into or carried out, as that form of payment would compromise its very existence, making its independence to disappear. . . . The principle which I should like to see acknowledged is that a public debt cannot give rise to the right of intervention, and much less to the occupation of the soil, of any American nation by any European power."

This doctrine has generally met with the approval of American statesmen, and has been sanctioned by a number of Pan-American



conferences as well as by the Hague in 1907. Nevertheless a strict adherence to its principles by the nations of Europe as well as by the United States has not been attained.

### THE DOMINICAN RECEIVERSHIP

Roosevelt, regardless of his success in the Venezuelan episode, soon set aside his attitude of "watchful vigilance" for one of "preventive action." That case had emphasized as nothing previously had done the opportunity for European creditor nations to take advantage of the chaotic economic and political conditions that prevailed in most of the Latin-American countries bordering the Caribbean in order to acquire rights and temporary concessions which might be made permanent under one pretext or another in violation of the basic principles of the Monroe Doctrine. The announcement of the new American policy was made by President Roosevelt in his annual message to Congress, December 6, 1904. In part he said: "All that this country desires is to see the neighboring countries stable, orderly, and prosperous. Any country whose people conduct themselves well can count upon our hearty friendship. . . . Chronic wrong-doing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrong-doing or impotence, to the exercise of an international police power."

The immediate cause for this pronouncement was the condition of affairs in the island republic of Santo Domingo. There, as in Venezuela, revolution had succeeded revolution in rapid succession since the establishment of its independence in 1844. In fact, no Dominican president had completed his term of office, and hardly a year had passed without a civil war. By 1904 the treasury was empty and the country was burdened with a debt of \$32,280,000, for which the receipts of every port were pledged to foreign creditors, who were about to foreclose. Finally, in July, 1903, the Italian, German, and Spanish gov-

ernments required the Dominican authorities to sign protocols agreeing to pay specific monthly sums on the debts owed to their respective citizens; and the following year a crisis was reached when, in lieu of certain financial obligations, the Dominican government turned over to an American corporation the collection of customs in one of the important ports. This action brought protests and threats of retaliatory measures from a number of other European creditor nations, who maintained that it was in direct violation of agreements previously made with them.

In a letter to J. B. Bishop on February 23, 1904, Roosevelt, who had been watching these developments with the keenest interest, stated: "I have been hoping and praying for three months that the Santo Domingans would behave so that I would not have to act in any way. I want to do nothing but what a policeman has to do in Santo Domingo. As for annexing the island, I have about the same desire to annex it as a gorged boa constrictor might have to swallow a porcupine wrong-end-to." In spite of this attitude, however, the possibility of early intervention by European powers forced his hand. Accordingly, late in December, 1904, Roosevelt sent a communication to the president of Santo Domingo asking if he "would be disposed to request the United States to take charge of the collection of the duties and effect an equitable distribution of the assigned quotas among the Dominican Government ~~and~~ the several claimants." Faced with the alternative of coercive action on the part of European powers, the government of Santo Domingo approved (February 4, 1905) a protocol which provided that the United States should guarantee the territorial integrity of the Dominican Republic, take charge of its customhouses, administer its finances, and settle its obligations, foreign as well as domestic. When this arrangement came before the United States Senate for its approval, however, such opposition developed that no definite action was taken in the matter. Thereupon, prompted by the fear that serious international complications might result from further delay, Roosevelt drafted a *modus vivendi*, under the terms of which the president of the Dominican Republic appointed a receiver of customs (named unofficially by President Roosevelt), who proceeded to administer the affairs

of the republic under the protection of the American navy. After this arrangement had been in operation for two years the Senate decided that it would be best to give it a definite legal status and accordingly ratified the original protocol with certain minor alterations in its terms.

Under the American receivership the claims of the creditor nations were greatly reduced and the interest obligations, together with the annual sums set aside for the retirement of the debts themselves, were easily met out of the 55 per cent of the total revenues designated for that purpose. At the same time the funds allocated to the Dominican government exceeded those previously collected from all sources. Thus within two years the receivership reestablished Dominican credit, assured the government of adequate revenues, and removed the danger of European intervention. The Dominican Republic not only continued the financial arrangement in regard to its customs but agreed in the protocol of 1907 not to increase its "public" debt or to "modify" its import duties without the consent of the United States. This agreement, commonly referred to as the Roosevelt Corollary of the Monroe Doctrine, afforded the government of the United States the further right to give the American customs officials "such protection as it may find requisite for the performance of their duties."

The economic penetration of Latin America by United States and European capitalists and the prevalence of revolutionary conditions in the countries bordering on the Caribbean demonstrated the need for the maintenance of stable governments in the entire area, not only as a protection for the large business interests involved but as a means of preventing foreign intervention. Out of this developed a clearer enunciation of the Monroe Doctrine than had previously obtained and an extension of its application through the so-called Roosevelt Corollary which proposed to remove the dangers of foreign intervention in the affairs of Latin-American countries and thus the occasion for the violation of that doctrine by anticipatory measures in the establishment of stable governments and sound financial policies.

## CHAPTER XIX

### THE UNITED STATES AND WORLD POLITICS, 1898-1909

#### THE DISINTEGRATION OF CHINA

The extension of the sovereignty of the United States to the islands of the Pacific during the period of the Spanish-American War and the consequent development of a definite policy in relation to the mainland of Asia occurred at a propitious time for both the economic and the political interests of the United States in the Far East. The Chino-Japanese War of 1894-1895 not only demonstrated, through the unexpected succession of victories for Japanese arms, the extent to which that country had modernized its military establishment, but illustrated with equal force the decrepit condition of the Chinese Empire. The symptoms of disintegration in China, coming as they did when the industrial nations of Europe were scouring every nook and corner of the world for territorial possessions and markets, caused those powers to scramble for concessions of one kind or another in that large, unwieldy country. After forcing Japan, whose rapidly rising influence and strength were greatly feared, to relinquish her authority over much of the territory which China had been compelled to cede to her as a war indemnity, Russia, England, Germany, and France each hastily prepared for the greatest possible participation in the division of that unfortunate land. Within three years the most valuable portions of China, including much previously surrendered to Japan, had been parceled out, under treaties unwillingly entered into by China on the one hand and Russia, England, Germany, and France, respectively, on the other, in the form of spheres of influence or interest. This, it was generally believed, was only the first step in the direction of permanent annexation and the subsequent monopolization of all commercial and economic privileges.

## THE "OPEN-DOOR" POLICY

Since China's trade was very important to the United States and was likely to become increasingly so with the industrialization of the country, the American business man viewed these events with anxiety. At the same time he recognized that the people of the United States would not sanction the participation of their government "in the great game of spoliation" then going on or approve the use of military force in repelling the aggressions of the European powers on Chinese sovereignty. It was in this dilemma that the Secretary of State, Hay, addressed himself to the task of safeguarding American interests in China. From the beginning it was evident that this purpose would be furthered best by the maintenance of Chinese sovereignty with equality of opportunity for all nations and special privileges for none; in other words, by the open door. Since Japan at that time was too weak to resist the encroachments of the European powers, her support of this idea could be depended on, while England's devotion to the principle of free trade might incline her toward a favorable consideration of the American policy. The plan of the United States was incorporated in a circular note of September 6, 1899, which Hay sent to England, Germany, and Russia, and later to France, Italy, and Japan. In this he asked the powers to give assurance that they would not interfere with the rights of other nations in their respective spheres, that the Chinese tariff and no other would be enforced therein, and that no discriminatory rates would be imposed in the ports and on railroads.

Regardless of the fact that some of the replies were indefinite and evasive, Hay, by clever diplomacy, obtained in the end the approval of his program by all the countries with interests in China. This signal achievement was attained in large measure by capitalizing the moral influence of world opinion. Hay knew, however, that the battle was only partially won, for the powers still retained their concessions in their respective spheres. Nevertheless their designs had been checked; and though the open door was not always strictly adhered to in subsequent years, it remained a strong force in restraining ruthless exploitation.

In the meantime the penetration of foreign influence into China, with its accompaniment of new ideas and methods, was arousing an intense anti-foreign sentiment in that country. Indeed, the conservative Chinese people were for the most part perfectly satisfied with their civilization, their religion, and their governmental institutions, all of which were endangered by the coming of the unwelcome foreigners. This latent sentiment found expression in a nationalistic society known as "the Fist of Righteous Harmony," or Boxers, whose purpose was to preserve the existing order of things in China and to drive the "foreign devils into the sea." During the early months of 1900 they began a campaign of death and destruction which resulted in the murder of hundreds of foreigners. For weeks all communication from the coast to Peking was broken, and the fate of the foreigners within that city, who were held in close siege in the vicinity of the British embassy, was unknown. Meanwhile expeditionary forces composed of troops of all the leading European powers and of Japan and the United States had arrived. After much fighting they entered Peking and sent the imperial court (which not only had sympathized with the Boxers but had secretly aided them in their undertaking) fleeing into the interior. With the evacuation of Peking the anti-foreign movement subsided.

Despite the protestations of the powers in behalf of the open-door policy, the partition of China was again seriously considered. To frustrate these designs Hay induced the powers to act jointly in their dealings with the Chinese government and to accept money as indemnity in lieu of territorial or other concessions. In the end China was forced to pay approximately \$333,000,000, distributed among the powers in proportional amounts. The \$24,000,000 allotted to the United States was found later to exceed the actual losses by about \$13,000,000. Accordingly the excess was returned to the Chinese government, which in turn set it apart in order that the proceeds from it might be devoted to the education of Chinese students in America.

Four years after the suppression of the Boxer uprising the fate of China was again jeopardized by the Russo-Japanese War, which came as a result of the collision of Russian and Japanese interests in Manchuria and northern China. Practi-

cally every land engagement of this war was fought on Chinese soil, and her harbors were utilized for naval purposes by both assailants. The inability of China to defend herself was beyond dispute. Eventually Hay succeeded in localizing the hostilities and, at the close of the war, in confining the territorial readjustments to Manchuria, in which Japan promised that no economic advantages would be sought and from which she would ultimately retire. Indeed, it was through the good offices of President Roosevelt that negotiations for peace were begun, at Portsmouth, New Hampshire, and in the final settlement he exerted considerable influence. The Japanese commissioners returned home after the completion of the treaty, much disgruntled, for they thought that they sensed in Roosevelt and the other Americans a feeling of jealousy of Japan's rising power in the Pacific. Furthermore, the indemnities which she obtained were in no way commensurate with her military achievements. The bankrupt condition of her government, however, made a continuance of the war almost an impossibility.

Thus during the seven years following the active participation of the United States in the Far East, the open-door policy was well established abroad, and was enthusiastically accepted at home. Not only had the integrity of China been preserved, but the right to trade with her had been safeguarded. In 1908 Elihu Root, who succeeded Hay as Secretary of State in 1905, effected an understanding with Japan in which it was stated publicly that the object of the two powers looked to the peaceful development of their commerce in the Pacific, to the maintenance of the "existing status quo in the region above mentioned, and to the defence of the principle of equal opportunity for commerce and industry in China." Later events associated with the policy of the open door will be discussed in connection with post-war readjustments in the Pacific.

#### THE PROBLEM OF JAPANESE IMMIGRATION

Regardless of the success of American diplomacy in the maintenance of the open-door policy in China and the extension of American sovereignty over many strategically located and com-

mercially important islands in the Pacific, the United States, because of the new position that she had assumed in the Orient, was destined to become embroiled in the rivalries of the nations with special interests in that region. Particularly was this to be true in connection with her relations with the rapidly rising Japanese empire. From the opening of Japan in the fifties and sixties until the beginning of the Spanish-American War, that nation regarded the United States as her most trusted friend. On many occasions she asked for expert advice on the varied problems confronting her in the transition of the life of her people from a medieval to a modern basis, and in all instances found it freely given in a disinterested and unselfish spirit. In Japan's eyes the United States differed from other nations in that she sought neither distant territorial possessions nor special favors from the weak and less-developed countries of the world, but desired only equitable opportunities for the extension of her commerce. The annexations by the United States that occurred in the period of the Spanish-American War, however, quickly convinced Japan that she had been mistaken. This fact, together with her own growth and desire for leadership in the Pacific, caused a complete change to take place in her attitude toward America. Thenceforth the United States appeared as possibly the greatest obstacle to the realization of Japan's aspirations. Indeed, these two nations on opposite sides of the Pacific were expanding into the same region, and their interests conflicted. Out of this situation and other controversies that arose, there developed during the next three decades a number of international complications that seriously threatened the peace between the two nations.

The first of these grew out of legislation in the United States dealing with immigration. Despite the universal agreement among nations that control of immigration is a purely domestic matter, the difference in treatment of Asiatics and Europeans has been considered by Oriental countries to be contrary to the accepted international practice of guaranteeing to all friendly powers similar treatment of their nationals. At no time have China and Japan insisted on the right of their respective subjects to enter the United States, but they have protested against



a policy based on racial discrimination. Because of the weakness of China, however, the question of Chinese immigration, which arose nearly half a century before that of Japan, was settled, as has been seen (pp. 189-192), in 1882 by the passage of the Chinese Exclusion Act, as a result of which the number of Chinese in the United States steadily declined.

Because of Japan's policy of political and social isolation any considerable emigration was not permitted before 1885, when it was legalized on condition that Japanese allegiance be retained. During the next few years a number of emigration companies were formed which by 1900 had transported about twenty thousand Japanese to California. The newcomers, however, fell heir to the racial antagonism which already existed toward the Chinese, although the Japanese were efficient, industrious, and orderly. Organized labor refused to admit them into the skilled trades, and by threats of boycott they were excluded from industry in general. In agriculture, fishing, and a few other occupations, however, they were employed extensively. Not only did they accept wages below those prevailing among other racial groups in the state, but their initiative made them keen competitors. By 1907 some seventy-five thousand Japanese were in the United States, most of them in California. Although they constituted only a small fraction of the total population of the state, they had become extensive owners and operators of some of the best agricultural land in the state, and it was feared that they would soon obtain a monopoly of vegetable and fruit growing throughout the West. To prevent this eventuality, a Japanese and Korean Exclusion League was formed with the ostensible object of securing the extension of the Chinese Exclusion Act to include members of these two racial groups. In 1906 this league was responsible for the adoption of a ruling by the school board of San Francisco requiring Japanese to attend the Oriental School in Chinatown. The Japanese government immediately issued a spirited protest against this action on the ground that it was a pure case of discrimination against its citizens as well as a direct violation of treaties with the United States. President Roosevelt was very much exercised over these developments; and after promising delegations of Californians

that effective Japanese restrictions would be obtained by means that were less offensive to the "high-spirited, sensitive, and friendly Japanese people," he persuaded the school board to rescind the ruling. As a result of the ensuing negotiations the so-called "Gentlemen's Agreement" of 1907, which was enlarged the following year into the Root-Takahira agreement, admitted Orientals under sixteen years of age to the schools and bound Japan on her part to prevent the emigration of laborers to the United States by withholding passports.

Although this arrangement resulted in the reduction of the annual average of Japanese immigrants from twelve thousand to seven thousand, the Californians were not satisfied. They desired total exclusion. In order to bring it about, the question was made a political issue and took the form of a demand for legislative enactments restricting the property rights of Japanese in the state. After several years of agitation the legislature in 1913 passed the Alien Land Law prohibiting aliens ineligible to citizenship from owning land or leasing it except under rigid restrictions. While the question was under consideration President Wilson and Secretary Bryan did what they could to delay action pending an adjustment of the question by treaty, but all to no avail. The measure became a law, and in 1923 its constitutionality was upheld by the Supreme Court of the United States. The Japanese government was so highly incensed that, as in 1907, the submission of the question to the arbitrament of war was a possibility for a time. Nevertheless California not only refused to alter her position but enacted further legislation of an even more drastic character. Meanwhile other Western states into which the Japanese had gone in rather large numbers passed a series of laws based on California's model.

Not content with what had been accomplished by state legislation, the anti-Orientalists kept constantly before Congress the demand for total exclusion by congressional act. Neither the Immigration Act of 1917 nor the Emergency Quota Acts included Japanese territory in the "barred zone" erected for the specific purpose of barring Asiatics. As in the past, an exception to the general immigration policy was made in the case of Japan, the "immigration from which" was "regulated in accordance

with treaties or agreements relating solely to immigration." In 1924, however, Congress not only refused to apply the quota system to Japan, by which only one hundred and forty-six Japanese would be eligible to enter the United States annually, but specifically forbade Japanese immigration regardless of the veiled threat of war issued by the Japanese ambassador.

The announcement of the passage of this act provoked an outburst of anger throughout Japan. The greatest resentment existed at being rated as inferior to other races of the world as well as to being placed in the same legislative category with other Orientals. Nevertheless Japanese exclusion seems to be accepted for the present as part of a permanent immigration policy based on the principle of preserving American institutions and protecting American standards of living. In addition to the social and political arguments in favor of the policy, the exclusion of the Japanese may be justified on the ground that Japan does not recognize renunciation of allegiance without her expressed consent, although in 1924 she went so far as to recognize the right of voluntary expatriation of her nationals born abroad.

### THE WORLD CRUISE OF THE BATTLE FLEET

When the controversy concerning the action of the school board of San Francisco was under consideration, Roosevelt decided to demonstrate to Japan the strength of the American navy and at the same time to test the efficiency of the officers and men, as well as the cruising power of the big battleships, on a trip round the world. Regardless of the criticism which followed the announcement of the plan, sixteen battleships, six destroyers, and six auxiliary vessels left Hampton Roads on December 16, 1907, for San Francisco by way of the Strait of Magellan. From that port the fleet crossed the Pacific by way of Hawaii, New Zealand, Australia, the Philippines, China, and Japan and continued thence to its Atlantic base by way of the Suez Canal. During the journey of fourteen months the fleet was at all times maintained in almost perfect fighting condition. In all the ports visited, particularly those in Japan, it was received not only with enthusiastic admiration but with the greatest cordiality.

In commenting on the voyage Roosevelt said: "The cruise did make a very deep impression abroad. . . . But the impression made on our own people was of far greater consequence. No single thing in the history of the new United States Navy has done as much to stimulate popular interest and belief in it as the world cruise." Many newspaper correspondents accompanied the fleet and recounted in dramatic fashion in the press its every movement together with interesting details concerning the countries visited, with the result that the American public was unconsciously educated in world problems and the part which their government was actually taking in bringing about their solution. At the same time the fear entertained by many of a sudden Japanese assault on the undefended coast of the United States never materialized.

#### THE ALASKAN-BOUNDARY CONTROVERSY

During Roosevelt's first administration the last of a long series of boundary controversies between the United States and England, that concerning the line separating British Columbia from Alaska, came up for final settlement. Although the United States acquired Alaska from Russia in 1867, the claims of both countries were based on a treaty negotiated in 1825 between Great Britain and Russia which attempted to define the boundary. Owing to the fact that the territory was for the most part unexplored, many conflicting and indefinite clauses crept into the document. Among other things it provided that the line should begin at the south of Prince of Wales Island, run thence northward with the Portland Canal to the fifty-sixth parallel, then follow the summit of the mountains to longitude  $141^{\circ}$  west, and thence run with this parallel to the Arctic Ocean. If the summit of the mountains was not ascertainable, however (and this proved to be the case), the line was to lie ten marine leagues from the coast, following its sinuosities. As to whether the line was to pass across the indentations which characterize the coast, leaving their heads to the east of it, or curve ten leagues eastward so as to leave the heads of the indentations to the westward, the treaty did not stipulate. If the former view pre-

ailed, a number of harbors in the larger bays would be left in British hands; if the latter was accepted, the entire coast along the so-called panhandle, including the bays, would belong to the United States.

It was not until after the discovery in 1897 of gold in the Yukon, the most direct approach to which was up the Lynn Canal by way of Dyea and Skagway, that the question became a subject of controversy. In fact, Canada made no claim to the territory until 1898. At that time, however, she began a close analysis of the treaty of 1825. The result was the placing on that document of an interpretation which would give her control of a number of bays, on one of which were located the coveted ports of entry to the gold region, Dyea and Skagway. Finally, in January, 1903, after nearly five years of negotiation, she succeeded in having the question submitted to a tribunal of "six important jurists of repute" for settlement. Three members were appointed by the President and three by the King of England, two of the latter being Canadians. Much criticism of the American commissioners was voiced both in Canada and in the United States on the ground that two of them were prejudiced on the question, since they had previously expressed definite opinions in support of the American contention. Furthermore, while the question was under consideration Roosevelt gave the British government to understand in an indirect and informal way that in case of disagreement he proposed to ask Congress for permission to take possession of the entire region claimed by the United States irrespective of the English pretensions.

Because of the nonexistence of a dominant range of mountains parallel to the coast corresponding to the language of the treaty, the Americans insisted that the ten marine leagues be measured from tidewater in bays as well as along the open coast, and in support of their contention they presented a mass of maps and other evidence to show that in the treaty of 1825 it was Russia's intention to exclude England from the western shore above  $54^{\circ} 40'$  and that this condition was knowingly accepted by England. Since Lord Alverstone, the only unbiased member of the commission, became convinced that the American contention was justified, he voted with the Americans on



all important questions. Although the extreme claim of the United States was not accepted in its entirety, the new boundary line left Canada no point of access to the sea within the disputed region. The two Canadian members not only did not sign the award but shared with the Canadian people in general the feeling that their cause had been sacrificed to further the British policy of cultivating friendly relations with the United States.

### THE NORTH-ATLANTIC FISHERIES

After the settlement of the Alaskan-boundary controversy only one question remained to threaten the peaceful relations between the United States and England. This was a matter of long standing. Since the ratification of the treaty of 1818, which granted to citizens of the United States extensive fishing privileges along certain portions of the coast of Newfoundland and Labrador, many questions had arisen concerning the meaning of the terms of the treaty and particularly concerning the justice of the regulatory measures enacted by Canada to safeguard the fisheries. Although these topics had constituted a constant source of trouble between the two nations, no definite agreement was reached in the matter until 1908, when a treaty of arbitration was signed, under the terms of which the question of the fisheries was referred to the Court of Arbitration at the Hague. In its decision, delivered two years later, the right of Great Britain to make regulations dealing with fishing along the coastal regions in question was recognized, and at the same time the privileges granted to American fishermen by the treaty of 1818 were sustained. In order to expedite the settlement of future controversies as well as to avoid serious international complications, the Court recommended the establishment of a permanent fishery commission, to which all questions concerning the fisheries were to be referred.

With the adjustment of this difficulty the last great hindrance to permanent peace between the United States and England was removed. The following year Roosevelt, in discussing the situation, remarked that "everything else could be arbitrated," and a few years later he became a stanch advocate of a universal

treaty of arbitration between these two nations. "In other words," he said, "I believe the time has come when we should say that under no circumstances shall there ever be a resort to war between the United States and the British Empire, and that no question can arise between them that cannot be settled in judicial fashion."

### AMERICAN INTEREST IN EUROPE

The decade following the Spanish-American War was noteworthy for the development by the United States of a new and vigorous foreign policy. In this the personality and the vision of Theodore Roosevelt were significant factors, though it must be admitted that he did not originate the policy but rather acted as its agent. A new United States with world-wide economic interests had appeared on the scene of international politics; and it was Roosevelt, more than any other single man, acting through his brilliant Secretaries of State, Hay and Root, that brought the nations of the world to an enlarged realization of this status. The American people were slowly but surely being weaned from their traditional belief in isolation as a safe and wise national policy, while at the same time their rights and interests were safeguarded everywhere as never before and new fields of economic opportunity were opened up for them. The acquisition of territorial possessions in the Pacific and the Caribbean has been described in Chapter XVIII, as has the participation of the United States in the political affairs of the Orient; later the evolution of a definite Caribbean policy will be discussed.

In yet another continent, that of Europe, America was manifesting an increased interest in every question that concerned other great nations; indeed, for several decades the United States had been committing herself more and more strongly to international coöperation. As early as 1875 she had joined with other countries in founding and maintaining at Paris an International Bureau of Weights and Measures. In 1886 she entered into an agreement for the protection of submarine cables; in 1890 she signed a compact for the suppression of the African slave trade; in 1899 she coöperated in the regulation of the



importation of liquors into Africa; in 1902 she approved the system of submitting to arbitration pecuniary claims; and in the following years she united with various American powers in an International Sanitary Convention. These and a large number of similar undertakings illustrate in part the position which the American government had come to assume in world affairs. To be sure, all this was made possible by the tremendous economic development of the United States, which brought her citizens into intimate contact with every section of the known world. Indeed, through the improvement of means of transportation the Atlantic and the Pacific had become mere lakes as compared with former times, and other means of communication were being perfected that tended to make isolation anywhere (above all, in the industrial United States) a thing of the past. At the turn of the century nearly three hundred thousand miles of submarine telegraph wires were in operation, and within a decade thereafter wireless messages furnished a common method of communication.

In spite of the increased participation of the United States in international coöperative undertakings, the determination of the government to avoid interference in the internal politics of European states was at all times evident. Yet this feeling was no longer sufficiently strong to prevent the making of protests against the acts of foreign governments when great humanitarian considerations were involved. In 1902 Secretary Hay addressed a communication to the Rumanian government concerning the enforced emigration of Jews from that country, pointing out the utter destitution in which they were thrown on the world. In regard to the treatment of the Jews in Russia, information was repeatedly sought through diplomatic channels as to the extent of suffering among them, and permission was obtained for the distribution of relief funds raised in the United States. In 1904 Roosevelt in a message to Congress expressed the deepest horror at the recent massacre of Jews in Russia, and in 1911 diplomatic relations with that country were severed as a protest against the treatment accorded Russian immigrants (largely Jews) to the United States who after acquiring American citizenship returned to their native land. In these as in other in-

stances of a similar character that might be cited, the protests were of a purely diplomatic nature, for there was not the slightest hint at military intervention. Nevertheless the United States had become an important influence in the public opinion of the world as a whole, and for that reason her wishes and opinions were given respectful consideration.

### THE MOROCCAN QUESTION

The attitude of the United States toward European political controversies was illustrated in her action in the adjustment of the Moroccan question. For many years Morocco, one of the few independent countries of Africa, was beset with internal difficulties, which France used as a pretext for economic and political penetration of the country with the possible ultimate object of the establishment of a formal protectorate. The Kaiser, whose interest in both territorial and trade expansion was well known, became alarmed over these developments. In 1906, after an unsuccessful attempt to obtain a recognition of the "open door" in Morocco, he appeared dramatically at the port of Tangier in a German warship with the avowed purpose of protecting the interests of Morocco and of forcing the issue. Since France considered Northern Africa as a natural field for the extension of her influence, she regarded this act as a national insult. At the same time the German people, led by their imperious ruler, were determined that they should have their "place in the sun." War between the two countries seemed imminent, which, if once started, might easily develop into one of world-wide proportions.

Roosevelt, who was extremely anxious to further international good will, was engaged at the very moment in the settlement of the Russo-Japanese War. Although he appreciated the fact that the United States had no direct or important interest in Morocco and that her traditional policy had been one of aloofness from European affairs, nevertheless, with the coöperation of England he induced both France and Germany to agree to discuss the status of Morocco in a conference to be called for that special purpose. Furthermore, he and Secretary Root were

largely responsible for the wording of the agenda, or program, of the conference; and during its sessions, held at Algeciras, Spain, in 1906, he kept in touch with the leaders, allaying irritation first on one side and then on the other. In the end he brought about the acceptance of his program, which gave France and Spain an international mandate to police Morocco and to preserve an open door for all other nations in reference to trade and economic opportunities. The American representatives at the meeting signed the agreement, appending, however, certain reservations to the effect that the United States acquiesced in the regulations and declarations and accepted their application to American citizens and interests in Morocco "without assuming obligation or responsibility for the enforcement thereof." To this statement the United States Senate later added one declaring that the government at Washington had no intention of departing "from the traditional American foreign policy which forbids participation by the United States in the settlement of political questions which are entirely European in their scope."

### MILITARY PREPAREDNESS

With the growth of American economic interests in all parts of the world and the assumption by the United States of a more active part than she had taken previously in international affairs, there came also a desire to have a military establishment that not only was capable of furnishing adequate protection to the country but also was comparable with the new position which the United States had assumed as one of the great powers of the world. During the decade following the Spanish-American War, Secretary Root and his successor, Secretary Taft, completed a comprehensive program of internal reorganization of the War Department. Before 1899 there was not to be found anywhere in the military establishment anybody whose duty it was to study the army and to make plans for it. Experience in the Spanish War demonstrated that the militia was of little value and that a more thorough training was needed for the officers in the regular army. Upon the recommendation of Root, Congress was induced to respond with laws carrying both ap-

propriations and legal authority. The organization of the militia was perfected, the army was enlarged, and provisions were made for increasing the number of trained officers and for the establishment for the first time of a General Staff Corps. The plant of the Military Academy at West Point was rebuilt on a monumental scale, and arrangements were made for the admission of a much greater number of cadets than before. An Army War College was opened in Washington as a postgraduate school for officers, and at Fort Leavenworth, Kansas, the old service schools were revived and enlarged, as was the Staff College for the technical training of officers in their professional branches of the service.

Because of the increased interest taken in foreign affairs by the American public, the development of the navy received more attention than that of the army. The statement of President Roosevelt that "the United States navy is the surest guarantor of peace which this country possesses" was generally assented to, and the valuable services which it had rendered in the recent war impressed on the public in a forceful manner the importance of this arm of the military establishment in the defense of the nation. After the failure of the Second Hague Conference to limit armaments, Roosevelt remarked: "The only efficient use for the navy is for offence. The only way in which it can efficiently protect our coast against the possible action of a foreign navy is by destroying that foreign navy." Although Congress did not approve the President's recommendations for enlargement in their entirety, it nearly doubled the annual appropriations. In later years Roosevelt, in reviewing the work of his administration, stated: "The improvement of our army and navy was very great; not only in material but in personnel, and, above all, in the ability to handle our forces in good-sized units. By 1908 . . . the navy had become in every respect as fit a fighting instrument as any other navy in the world, fleet for fleet. Even in size there was but one nation, England, which was completely out of our class; and in view of our relations with England and all the English-speaking peoples, this was of no consequence." Indeed, the navy had grown with striking rapidity. Whereas only four modern battleships had been avail-

able in the Spanish-American War, by 1909 the battleships represented the most formidable branch of the navy. In fact two years previously, as has been seen, they staged a memorable naval demonstration in their cruise around the world, eliciting the admiration and the respect of all nations.

#### INTERNATIONAL ARBITRATION

In spite of the popular interest in the imperialistic tendencies of the government of the United States and the growing demand for military preparedness, there developed simultaneously throughout the country a strong undercurrent of sentiment in favor of peace and the substitution of legal for military battles. Fortunately the movement found a responsive chord in other nations of the world, particularly in the Americas, where the adjustment of international disputes had frequently been made by means of arbitration rather than by a resort to arms. Indeed, for nearly a century the number of cases that had been submitted to specially constituted international courts or mixed commissions had steadily increased. Until 1907 the United States and England led the way, as each had been a party to about sixty arbitrations. Since the system of creating a special tribunal for each individual case, however, was not only expensive but cumbersome and uncertain, the need for some standing arrangement became increasingly evident. It was with the object of accomplishing this purpose, therefore, as far as the United States and England were concerned, that Secretary Hay and Lord Pauncefoot negotiated a treaty on arbitration in 1897. The Senate, however, refused by a bare majority of two votes to sanction it.

The following year the Czar of Russia asked the nations with diplomatic representatives at the court at St. Petersburg to join his government in an international peace conference to be assembled at the Hague in 1899. Twenty-six countries, including the United States, sent delegates to the meeting. Though the desire of the Czar and other statesmen to place a limit on the "progressive increase of land and naval armaments" could not be attained at that time because of the opposition of certain

of the great powers, particularly of Germany, "a Convention for the Peaceful Adjustment of International Differences" was agreed upon. All the governments represented (including the Pan-American Conference of 1901), with the exception of Turkey, later indorsed the work of the conference. The convention, among other things, created a permanent court of arbitration to which international disputes might be submitted. The Hague Court, as it came to be known, was to consist of a large body of judges appointed by the signatory powers, from which special courts might be instituted to adjust differences between countries wishing to have disputes adjudicated.

To the United States and Mexico is due the credit for the submission of the first case to the Court. This involved the so-called Pious Fund, a trust fund set aside by the order of Jesuits in the seventeenth century for the conversion of the Indians of California, which later came to be administered by Spain and Mexico, respectively, but which, after the acquisition of the Southwest by the United States in 1848, the Mexican government refused to turn over to the Roman Catholic bishops of California for the purposes originally intended. The same year (1902) Germany, Great Britain, and Italy submitted to the Court the question as to whether these powers had acquired by the use of force any rights in Venezuela which other creditor nations did not possess. Other cases came before the Court, but these are sufficient to illustrate the character of the disputes submitted for adjudication. Since the Hague Convention did not bind any nation to make use of the Court, special treaties or arrangements had to be made in each instance. In the years previous to and including 1905 some thirty-three treaties were concluded between European powers, binding the contracting governments to submit to the Hague Court differences of a specified character that might arise between them. Secretary Hay on behalf of the United States negotiated limited arbitration treaties with a large number of nations; but the Senate, ever jealous of surrendering its share in the making of treaties given it by the Constitution, approved them with so many reservations that President Roosevelt discontinued the negotiations. During the administration of President Taft, however,

Secretary Root completed treaties with Great Britain, France, Austria-Hungary, China, Italy, Japan, Mexico, and other countries, which agreed that all questions, except certain kinds especially reserved, should be submitted to the Hague Court for arbitration. Since these documents conformed with the wishes of the Senate, they obtained the sanction of that body.

In 1907, largely as a result of the efforts of President Roosevelt, the Second Hague Conference was assembled, which adopted additional rules with regard to the conduct of war, reorganized the tribunal, and declared the principle that the contracted debts of one government to another should not be collected by force.<sup>1</sup> In reviewing the work of this conference Secretary Root stated that it had presented the greatest advance ever made at a single time toward the peaceful adjustment of international disputes, if the work of the Hague Conference of 1899 were excepted.

During the administration of President Wilson, Secretary Bryan sought to extend the scope of arbitration in conformity with one of the recommendations of the Second Hague Conference looking to the postponement of the opening of hostilities, regardless of the cause, until after a thorough investigation of the facts had been made. His overtures met with such success that twenty treaties of this character with countries with which the United States had habitual dealings were negotiated and approved by the Senate, (1914). The progress of the movement looking toward the peaceful adjustment of all international disputes, however, was interrupted by the outbreak of the World War in 1914. The revival of the subject after the termination of the war will be discussed in Chapter XXX.

<sup>1</sup> In signing the conventions drawn up by both the Hague conferences the American delegates appended to the documents notes stating that under no condition was the participation of the United States in the conferences and her adherence to the principles adopted by them to be interpreted as being a departure from her time-honored policy of noninterference in the affairs of other nations.

## CHAPTER XX

### GOVERNMENTAL REGULATION OF BIG BUSINESS

#### THE POPULAR DEMAND FOR THE LEGISLATIVE CONTROL OF BIG BUSINESS

The period of Roosevelt's administration not only was characterized by phenomenal developments in the foreign relations of the United States but also witnessed the appearance of many grave domestic problems created by the sudden transformation of the economic and social life of the people. Indeed, the industrialization of the country and the development of a considerable degree of economic and political imperialism made necessary a reorganization of the government itself, particularly as it was related to business and the social problems growing out of the new order. For several decades following the close of the Civil War the theory of *laissez faire*, under which business was permitted to take its own course unimpeded by legislation, prevailed generally; but the growth of individual business units to a point where monopolies were formed which destroyed competition caused the public to demand legislative control as a means of protecting its interests. Though some progress in this direction was made through the passage of the Interstate Commerce Act of 1887, the Sherman Anti-Trust Act of 1890, and other measures, comparatively little was actually accomplished before the end of the century in curbing the power of big business, which after 1897, as has been seen, exercised a dominating influence over both state and national governments. The concentration of wealth, everywhere in evidence, was looked upon by an increasing majority with growing alarm, especially as they came to realize to what extent their government was under its influence. There ensued, therefore, a long struggle for power and for the recognition of a distinctive philosophy based on the theory of public interest. The adherents of this doctrine



proposed to use the government as an agency for promoting the well-being of all the people. They believed that legislation should be enacted for the benefit of the multitude rather than of the few, and placed an enhanced value on the worth of the individual.

Since big business was well organized and had at its disposal vast sums of money, it could be dislodged from its grip on the government only after a long, bitter fight. In discussing the problem as it existed about 1900 ex-President Taft made the following statement in 1915: "For thirty years we had [had] an enormous material expansion in this country, in which we all forgot ourselves in the enthusiasm of expanding our material resources and in making ourselves the richest nation on earth. We did this through the use of the principle of organization and combination, and through the development of our national resources. In the encouragement of the investment of capital we nearly transferred complete political power to those who controlled corporate wealth and we were in danger of a plutocracy." Though the tocsin of revolt against these conditions was sounded in the presidential campaign of 1896, the restoration of prosperity and the shifting of public attention to other questions as a result of the Spanish-American War left the "vested interests" more firmly intrenched at the beginning of the century than ever before. Indeed, so hopeless did the struggle appear that aggressive and sensational measures seemed necessary to arouse the nation to a full appreciation of the actual conditions. As a matter of fact, however, this task was aided and the time required for its consummation was shortened by capital itself. Excessive greed in the accumulation of fortunes regardless of the means to that end, the vulgar display of wealth, and the use of money to corrupt legislative bodies all contributed to the strength of the popular cause. Meanwhile the movement was taken over by an able and energetic group of aspiring political reformers, the most influential of whom was the President, Theodore Roosevelt.

In its early stages the work of arousing the public to concerted action against the evils of the new industrial order found expression through the newspapers and popular magazines. In

this campaign of agitation and education detailed studies were made not only of the organization and the work of the government but also of many of the leading business establishments in the country. So eagerly did the public seek news of this kind that a group of writers appeared who purveyed sensation for sensation's sake. About 1902 many articles and serials began to appear graphically depicting the corruption and the knavery of the moneyed interests. The most epoch-making of these were Ida M. Tarbell's *History of the Standard Oil Company*, Thomas W. Lawson's *Frenzied Finance*, Upton Sinclair's *The Jungle*, Ray Stannard Baker's *The Railroads on Trial*, Lincoln Steffens's *The Shame of the Cities* and *Enemies of the Republic*, and David Graham Phillips's *The Treason of the Senate*. Other articles disclosed the unscrupulous practices of banking and insurance companies, food adulteration, child labor, and labor conditions in general. These writers, though later they were termed "muck-rakers" because they appeared primarily interested in the scandal and filth of the period, exercised a tremendous influence in arousing public opinion and thus preparing the way for the practical political reformers who were at hand to reap the fruits of their labors.

#### REFORMS IN STATE AND LOCAL GOVERNMENTS

When the public naturally turned to the government for the correction of these abuses in the economic order, it soon discovered that big business, which had allied itself with the professional politicians, was in complete control. This was especially true in the state and municipal governments, on which the reformers centered their main attack. Nevertheless, under the leadership of such men as Robert M. La Follette of Wisconsin, Charles E. Hughes of New York, A. B. Cummins of Iowa, Hiram Johnson of California, Joseph W. Folk of Missouri, and others, substantial victories were won. It was in the West as usual, however, that most of the reforms originated; but by the end of the first decade of the century many of them had forced their way into the East, where they gained a constantly increasing number of advocates.

In no period in the history of the United States was the American system of government so definitely on trial as during the opening years of the twentieth century. Indeed, the economic changes of the preceding fifty years had made many of its features obsolete or almost wholly inadequate to meet the problems which had arisen. Everywhere there was such a lack of confidence in legislative bodies that a movement arose to restrict their powers. In the domain of city government an increasing number of municipalities cast aside their old form of government for that of the small commission or the city manager, while others reduced the number of councilmen as well as their powers and granted additional authority to elective or appointive administrative officials. At the same time similar reforms were being instituted in the states. Among these was the substitution of the "short" for the "blanket" ballot, the adoption of the Australian (secret) ballot, the regulation of big business through constitutional provisions rather than legislative action, the increase in the power of the governors and a ~~corresponding~~ decrease in that of the legislatures, and the extension of the suffrage to include women.

—In many states further checks were placed on legislative bodies through the system of "direct democracy," or the referendum and the initiative. With the referendum the country had been familiar, since from the establishment of the government it had been customary to submit constitutions and constitutional amendments to the people for their approval, although the practice had not been universal. The initiative, however, until the late nineties, was known mainly in theory in America, although it had been used occasionally for special purposes by local governmental units since the early colonial period. By these methods legislation might be submitted to the people for their approval in a general election regardless of the attitude of the legislature, and bills passed by the legislature might also be placed on the ballot, by petitions signed by a stated percentage of the voters, for the approval or disapproval of the electorate. Originating in Oregon in 1902, the system of direct legislation grew steadily until it came to exist in one form or another in nearly half the states.

Closely associated with the initiative and the referendum in

the movement for the democratization of the government was the recall. This innovation was intended primarily to serve as a check on elective administrative and executive officials. By it a definite number of voters in a governmental unit might force the holding of an election to determine whether a given official should continue his regular term of office or transfer it to another chosen in the election. Its application to elective judges occasioned much discussion, particularly by the Progressives during Taft's administration. Although this device has been adopted by many states and cities in the West, it has been used comparatively little, and it has not made extensive inroads into the East.

#### ROOSEVELT'S PROGRAM FOR INDUSTRIAL REFORM

In the midst of the nation-wide discussion of the position which the large industrial establishments should assume in the economic and political life of the country and the many reforms instituted by state and local governments to meet the problems created by the growth of industry, the consideration of the issues involved was gradually extended to the national government. Indeed, the urgent need for an extension of the authority of the Federal government, particularly as it was related to those concerns doing an interstate business and hence not subject to regulation by state legislation, became increasingly evident during the late nineties and the early years of the twentieth century. To prevent this action at all-costs had been the studied policy of big business in general. Under McKinley's administration it had had little occasion for anxiety; but the sudden death of the President and the accession of Theodore Roosevelt introduced an element of uncertainty into the situation regardless of the announced purpose of the latter to follow the policies of his predecessor. Although at that time he appeared to be an adherent of the prevailing Republican creed, his venturesomeness and his apparent willingness to experiment with new ideas were disconcerting to all conservatives. Hence his every act was scrutinized with intense interest during the first months of his presidency to discover his probable course of action on the many problems that were demanding solution. Already a

reaction had got well under way against the industrial order which had become especially influential during the years following the first inauguration of President McKinley in 1897. Labor was restive, and some of the largest manufacturing establishments in the country were facing serious labor disturbances. The extent of the lawlessness and the general disregard of the interests of the people on the part of the newly organized trusts, the tyranny of the railroads, and the apparent influence of corporate wealth on the sources of law and justice were beginning to be appreciated in many sections of the country to such an extent that a solution of the problem was being sought seriously. Roosevelt as governor of New York attempted to meet it through taxation; and Robert M. La Follette in Wisconsin waged a long struggle which culminated in his election as governor in 1900 and the passage of many regulatory measures dealing with railroads and corporations, commonly referred to as the "Wisconsin idea." Roosevelt was intensely interested in these developments in Wisconsin from the beginning. Broadly speaking, the people of the country were divided into three groups: those supporting big business, who were adherents of the *laissez faire* idea and wished to be left alone to work out their own problems in their own way; those believing in the old principle of competition, of whom W. J. Bryan was the leader, who wished to "smash the trusts"; and those who took a middle position advocating governmental regulation for the protection of the interests of the people and the correction of abuses in the existing order. To this group Roosevelt belonged.

In his first message to Congress on December 3, 1901, a document of more than twenty thousand words, Roosevelt stated with frankness and clarity his views on all the leading questions before the country and suggested a legislative program that would have engaged the time of Congress for many years. He gave major consideration to the question of what position the government ought to assume toward "the great industrial combinations which are popularly, although with technical inaccuracy, known as trusts." In the beginning he congratulated the "captains of industry" who had developed the marvelous systems of transportation, built up the commerce of the country,

and made possible the existence of powerful manufacturing establishments in such a short space of time. He said that rich and poor alike shared in the blessings of prosperity, and that nothing should be done to hamper or restrict the inevitable consolidations of industries so long as they were not "harmful to the general welfare." The process of the creation of large corporate fortunes, however, had aroused antagonism, much of which, he felt, was without warrant; for no fortune could be accumulated in legitimate business except by conferring immense incidental benefits on others. Nevertheless "serious social problems" had resulted from the "highly complex industrial development which went on with ever accelerated rapidity during the last half of the nineteenth century." Since he considered industrial concentration as a natural and desirable evolution, he was opposed to the prohibition of trusts. At the same time, however, he stated that since corporations existed by permission of law, state or national, they should evaluate their property honestly and deal fairly with the public in all their business activities. He maintained that to attain this end the nation should assume powers of supervision and regulation over all corporations doing an interstate business and, furthermore, that they should be willing to submit to a full investigation of the status and conduct of their businesses similar to that required of banks. He then proposed the creation of a new department of commerce and industries in the cabinet with authority over questions that concerned labor, business corporations, and the merchant marine. His other recommendations included the enlargement of the powers of the Interstate Commerce Commission in regulating railroads, and the passage of legislation for the conservation of the national resources of the country. He expressly approved law-abiding labor unions and recommended legislation in the interest of women and children in Federal employment.

### THE APPEAL TO THE PEOPLE

This message of the President, which had been eagerly awaited, was received with unmistakable signs of approval throughout the country. In Congress, however, it aroused little enthusiasm;

in fact, action on the recommendations of the President was postponed or rejected outright. Even the proposal for reciprocity with Cuba died a natural death in the Senate after passing the House. But Roosevelt was too much of a fighter to permit his program to be set aside easily. Accordingly he prepared to carry his message directly to the people. In April, 1902, he visited the Charleston Exposition, where, in an address to the "Men and women of the South, my fellow-citizens of the Union," he attempted to quench the smoldering embers of the days of the Civil War and reconstruction. During the summer and fall months he made a number of speaking tours through New England and the West, where he discussed at length the trust problem. At Boston he said: "At present, we have really no efficient control over a big corporation which does business in more than one state. . . . We must get power first, then use that power fearlessly but with moderation, with sanity, with self-restraint. . . . So far from being against property when I ask that the question of trusts be taken up, I am acting in the most conservative sense in property's interest. When a great corporation is sued for violating the Anti-Trust Law, it is not a move against property, because when we make it evident that all men, great and small alike, have to obey the law, we put the safeguard of the law around all men. . . . I am advocating action to prevent anything revolutionary. . . . The first thing we want is publicity. . . . The publicity itself would cure many evils." Everywhere he announced his determination to enforce the existing anti-trust legislation regardless of whose interests were injured. Business, he declared, which opposed law enforcement by this attitude condemned itself. "The biggest corporation, like the humblest private citizen," he asserted many times, should be held to "strict compliance with the will of the people as expressed in the fundamental law." Although these utterances instilled genuine fear in the hearts of "predatory wealth," they gained for him a wide popularity and the appellation of the "trust buster." Roosevelt's frank and aggressive manner commended him to the people, who looked on him as their champion. Moreover, the prevalent belief that it was useless to oppose the influence of corporations and of machine politics

speedily gave way as an increasing number of men of prominence came to the assistance of the President. Meanwhile many men associated with big business were approving his program and lending him their support. A little later Judge Elbert H. Gary, president of the United States Steel Corporation, stated in a letter to Roosevelt: "I think the attitude of the present administration, as frequently stated in your utterances, is exactly what this country needs. I do not intend to be a hypocrite. If any company in which I am interested is wrong, it must get right. The application of this principle, from which as President I think you have never deviated, is building for you a monument which will be permanent and will be the lasting pride of all your friends. It is embodied in the sentiment expressed by you: A square deal for all." Before the meeting of Congress in its regular session in December, 1902, unmistakable signs indicated that Roosevelt's appeal to the people had not been in vain, for everywhere pressure was being exerted on congressmen to give legislative sanction to the President's program. By that time his part in the settlement of the anthracite coal strike had added to his popularity and enhanced his prestige.

#### THE SETTLEMENT OF THE ANTHRACITE COAL STRIKE

For many years conditions in the anthracite coal fields of eastern Pennsylvania had been most unsatisfactory to the laborers, partly as a result of the lowered standard of living and their reduced wages caused by the influx of immigrant miners. The men were compelled not only to work long hours at low wages but to submit to many other forms of exploitation. Among other things, they were forced to produce more than three thousand pounds of coal to a "ton," to pay more than twice the original cost to the company for the dynamite used, to live in houses rented to them by the coal operators, and, in many collieries, to accept their wages, which were often paid at irregular intervals, in certificates good only for the purchase of supplies from the stores owned by the coal magnates. Until 1899 the miners had not succeeded in perfecting an organization of sufficient strength to force concessions in their behalf. During



that year, however, under the leadership of John Mitchell, president of the United Mine Workers of America, the laborers in the anthracite region were thoroughly organized, and the following year more than a hundred thousand men went out on a strike when the operators refused to alter the objectionable conditions. Within a few days, however, Mark Hanna, who feared the political effect of the strike on the approaching presidential election, persuaded the operators to grant a 10 per cent wage increase and to make certain other concessions to the laborers. Though these terms were accepted by the miners, the arrangement as a whole was unsatisfactory. Not only did the operators refuse to recognize the miners' union, but they continued most of the practices to which the laborers had objected.

Consequently on February 14, 1902, Mr. Mitchell on behalf of the union requested a conference with the producers with the idea of adjusting the grievances. This was insolently denied. Thereupon the miners issued a formal demand for the recognition of labor unions, collective bargaining, a 20 per cent increase in wages, and an eight-hour day. Again George F. Baer, representing the operators, flatly refused to recognize in any way the miners' union or to have any dealings with it. He expressed the willingness of the coal companies, however, to meet their employees as individuals. After the rejection of a proposal made by Mitchell to submit the controversy to arbitration, the miners, numbering approximately one hundred and fifty thousand, went on a strike on May 15.

Contrary to the expectations of the operators, the strike continued month after month, partly as a result of assistance given to the miners by other labor organizations. The shortage of coal in the East, which relied almost entirely on the anthracite fields for its supply, became acute, and in many places the price advanced from \$5 to \$25 per ton. Furthermore, with the approach of winter, suffering became general in the large cities, and public feeling bordered on panic. Appeals to both the operators and the laborers for an early adjustment of their differences had no effect. Though the government at Washington had no direct responsibility in the matter, the public turned anxiously to it for relief. Nevertheless the operators were adamant, main-

taining that if the governor of Pennsylvania would provide adequate protection for the non-union workers the strike would speedily collapse. Later, however, even when the entire militia of the state was called into service, the situation was not altered, chiefly because non-union laborers did not appear in sufficient numbers to operate the mines. Meanwhile opinion turned increasingly to the side of the miners, who from the beginning had held a conciliatory attitude.

As the possibility of a coal famine approached in the early fall, many influential citizens, among whom was ex-President Cleveland, interested themselves in the question on behalf of the suffering public. After the failure of a number of individual attempts at reconciliation, President Roosevelt asked the mine owners and Mitchell to meet him in a joint conference at the White House on October 3. There he made an earnest appeal to the patriotism of both groups to "sink personal considerations" and make individual "sacrifices for the common good." To this plea as well as to the renewal of the proposal by Mitchell to arbitrate the question, the operators again turned deaf ears. There was nothing to arbitrate, they maintained, and they reprimanded the government for its unwillingness to suppress the strike by force for the violation of the Sherman Anti-Trust Act.

In this impasse Roosevelt directed the head of the Federal Labor Bureau to make an investigation of the whole matter, and he again pleaded with the operators to agree to submit the question to arbitration. Again the operators flatly rejected his proposals. Thereupon he prepared to send the United States army into the region to control and operate the mines in the capacity of a receivership, although the plans for this unprecedented act were known at the time to but a few individuals. In the meantime he exerted sufficient pressure on certain financiers in New York who were interested in the coal companies to induce them to force the operators to submit the question to arbitration. The agreement was completed in time; and on October 23 the miners resumed work pending the report of the commission to which the question was submitted. After four months of investigation the decision was rendered. Although it fell far short of the original demands of the union, the miners

emerged from the struggle decidedly the victors. They were awarded a wage increase of 10 per cent; the working day was reduced from ten to nine hours; discrimination against union or non-union laborers was forbidden; and future controversies were required to be submitted to a board of conciliation, three chosen by each party, with the final decision placed in the hands of the circuit judge of the district in case of disagreement. Though the terms fixed by the commission were binding for a period of three years, as a matter of fact economic peace reigned in the region for more than fifteen years.<sup>1</sup>

Not only did the settlement of the coal strike add greatly to Roosevelt's popularity, but it brought to the knowledge of the people the fact that the country's supply of anthracite coal had fallen into the hands of a small number of men. At the same time the report of the investigating commission disclosed to the public the deplorable conditions under which the miners labored and the arrogant and selfish attitude of the wealthy mine operators. Of even greater importance was the emphasis on the fact that in all labor disputes a third party, the public, was concerned in any adjustment which might be made of differences. Furthermore, the very character of the controversy illustrated the necessity for a greater control over corporations at the precise moment when the general subject was uppermost in the popular mind.

### THE SQUARE DEAL FOR LABOR

The anthracite coal strike was the most important of several controversies between capital and labor during the opening years of the twentieth century. From 1901 to 1905 alone, 13,964 strikes and 541 lockouts were recorded. In these developments Roosevelt was intensely interested. Throughout his public life he had championed the cause of labor in all its legitimate aspirations. To labor he applied the same principle — namely, the square deal — that he attempted to force capital to recognize. He insisted that the rights of labor and the rights of capital should be respected each by the other, and the rights of the public by

<sup>1</sup> The cost of the strike to the operators and miners has been estimated at \$100,000,000.

both. In numerous addresses he quoted certain statements of Lincoln on the subject to illustrate his own position: "Labor is prior to, and independent of, capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital, and deserves much the higher consideration. ✓ . . Capital has its rights, which are as worthy of protection as any other rights. . . . Nor should this lead to a war upon the owners of property. Property is the fruit of labor; . . . property is desirable; it is a positive good in the world." When sternly taken to task for entertaining labor leaders at the White House, Roosevelt replied to one critic: "While I am President I wish the laboring man to feel that he has the same right of access to me that the capitalist has; that the doors swing open as easily to the wage-worker as to the head of a big corporation — and no easier." During his presidency he issued many orders designed to improve the laboring conditions in the executive departments over which his jurisdiction extended, and he used his influence to induce Congress to provide similar measures for the territories and the District of Columbia and in interstate commerce.

### THE REVIVAL OF THE TRUST PROBLEM

The year 1902 is noteworthy for the unusually large number of questions of immense interest to the country that were being handled simultaneously by Roosevelt's administration. In addition to the anthracite coal strike, the Alaskan-boundary controversy with England, and the negotiation with Colombia for the cession of canal rights on the Isthmus of Panama, all of which have been discussed previously, attention was directed to the relation of the government toward the newly formed industrial combinations. Regardless of the provisions of the Sherman Anti-Trust Act of 1890 (pp. 250-253), which declared illegal "every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several states or with foreign nations," the consolidation of business enterprises of every description tended to increase rather than to decrease. Indeed, between 1900 and 1905, out of a total of

322 groups of industries 142 showed an actual decrease in the number of establishments, and more than 300 sugar refineries, nearly 300 shoe factories, and more than 200 woolen mills were discontinued. Furthermore, before January 1, 1898, some 82 combinations were formed with a total capitalization of \$1,000,000,000, where during the next six years 236 combinations were formed with a capitalization of more than \$6,000,000,000. These developments were a natural result of the growth of the country's business interests and the recognized economic advantages of combination over the system of competition. They were prompted primarily by a desire to attain a greater economy in production, the regulation of the output, the control of the markets, and the maintenance of prices. The magnitude of some of the enterprises was sufficient to stagger the imagination. J. P. Morgan, Andrew Carnegie, and others were instrumental in organizing the United States Steel Corporation, with a capital stock of \$1,100,000,000. E. H. Harriman brought under a single management more than fifty thousand miles of railroad track in the central West and the Southwest, and J. J. Hill performed a similar feat in the Northwest. In fact, financial concentration was evident in practically every industry.

When Roosevelt became president in 1901 the Sherman Anti-Trust Act had been on the statute books for eleven years, yet practically nothing had been accomplished in checking the formation of great industrial establishments. To be sure, a few suits of minor consequence had been brought under the act, but its real efficacy in preventing the evils that arose from unregulated combination in business was seriously questioned. Furthermore, the decision of the Supreme Court in the case of the *United States v. E. C. Knight Company* (1895) that the law was applicable only to monopoly in restraint of trade and not to monopoly in manufacture so limited its scope that the administration considered it practically useless to institute additional proceedings for the violation of the act. State anti-trust legislation was equally ineffective. Meanwhile, as has been seen, the tendency toward business consolidation continued, although many corporations that feared prosecution reorganized, actually or fictitiously, to gain immunity.

The trust problem was mentioned in both the Democratic and the Republican platform in 1900, but it was not made a major issue. The alarming spread of industrial combinations immediately following the opening of the twentieth century, however, forced the problem into the foreground. Although recognizing the fact that the corporations and combinations had become indispensable in the business world, President Roosevelt felt that it was unwise to permit them to continue without thoroughgoing control. In later years he stated, "These men [the capitalists] demanded for themselves an immunity from government control which, if granted, would have been as wicked and foolish as immunity to the barons of the twelfth century." Three courses of action were open to him: first, he might attempt a more vigorous enforcement of the laws already on the statute books; secondly, he might secure the enactment of new legislation on various phases of the subject; and thirdly, he might institute a campaign to arouse a militant public opinion on the whole question. After a careful analysis of the subject he exerted pressure in all three of these directions. As has been seen, he discussed the question at length in his first annual message in December, 1901, and during the following year he spoke on the subject on many public occasions. Pending the consideration of his recommendations for new enactments by Congress, he attempted to enforce the existing legislation.

### THE NORTHERN SECURITIES CASE

With a rapidly developing public sentiment behind him Roosevelt began a campaign of investigation and prosecution. The first case was instituted against the recently formed Northern Securities Company. This organization was a holding company, chartered under the lenient law of New Jersey, to which the stock of the Northern Pacific and Great Northern railroad companies (controlled largely by J. J. Hill and J. P. Morgan), together with that of the Chicago, Burlington, and Quincy, was surrendered. The publication of the details of this merger, which placed in the hands of a single corporation all the railroads of the Northwest, caused the states from the Great Lakes to the

Pacific to be alarmed at what they regarded as the menace of a railroad monopoly. In response to repeated petitions for legal action against this merger, Roosevelt asked his Attorney-General, Philander C. Knox, an able lawyer and for many years a corporation attorney of national repute, for an opinion on the status, under the Sherman Anti-Trust Act of 1890, of the Northern Securities Company. In the course of time Knox replied that in his judgment the holding company violated the provisions of this legislation. Thereupon Roosevelt instructed him to take suitable action to bring about its dissolution. When news of the contemplated action of the government reached Hill and Morgan, the latter, who made a special trip to Washington, suggested in a conference with President Roosevelt and the Attorney-General that in case anything had been done that was wrong his own attorney and Knox "fix it up." Roosevelt replied, "That can't be done"; and Knox added, "We don't want to fix it up, we want to stop it." When Morgan then asked if the government contemplated an attack on his other interests, including the billion-dollar steel trust, Roosevelt replied, "Certainly not, unless we find out that in any case they have done something that we regard as wrong."

Knox began the suit against the Northern Securities Company in the United States Circuit Court at St. Paul in March, 1902. The following year a decision was rendered declaring the merger to be in violation of the Anti-Trust Act of 1890 and ordering its dissolution. The decision was sustained by the Supreme Court in March, 1904. To Hill, who was an honest business man with no ulterior motives against the interests of the public in this and his other business operations, the announcement came as a terrible shock. Nevertheless he accepted the verdict with the statement, "We must all bow to the law of the land."

This decision in the Northern Securities case reversed that in the Knight case and restored to the government the power to "deal with industrial monopoly and suppress it and to control and regulate combinations." From the date of the publication of this decision the government entered upon a new economic policy, which had as its objective the protection of the people from the operations of big business. During the remaining years

of Roosevelt's administration the Sherman Anti-Trust Act was used with aggressive force for the purpose for which it was intended. Some forty-four prosecutions were brought under it by the government, the two most famous of which were those against the Standard Oil Company and the American Tobacco Company. In these two instances the final decision was not handed down until 1911, during Taft's administration, when both were declared to exist in violation of the Sherman Anti-Trust Act and were accordingly ordered dissolved. Of great significance was the announcement of the Court that the rule of reason should govern its action in interpreting the question as to whether the Sherman Act should apply to all restraints of trade or only to such as were in the opinion of the Court unreasonable. This met with the hearty approval of President Roosevelt as well as of President Taft, who followed him, for neither of them was hostile to big business when honestly conducted, and both earnestly desired some basis for discrimination between good trusts and bad trusts.

While the Northern Securities case was pending before the courts Roosevelt took advantage of every opportunity to bring to the attention of the people of the country the question of the relation of trusts and corporations to the public and to the government in the hope that sufficient pressure would be brought to bear on Congress to induce that body to pass the legislation necessary to make his program effective. Before the end of 1902 his efforts were amply rewarded, as public sentiment, already uneasy, was thoroughly aroused, and increasing numbers of congressmen were coming to his assistance. In his message to Congress in December, 1902, Roosevelt again urged that body to enact legislation for the regulation of corporate activities. In this, as in his message of the preceding year, he pointed out the danger to the public good that lay in the absence of regulatory measures for the control of the power which the masters of capital had come to possess. As previously, he emphasized the fact that he did not wish to destroy this power or to forbid its acquisition but to direct its application.

Regardless of the strength of the reactionary forces in Congress, several significant steps in the direction of regulation



were taken. For one thing, in order to hasten the settlement of the trust problem the Expedition Act was passed (February 11, 1903) giving all suits dealing with trusts precedence over other cases before the Federal courts. Another advance was made in the creation of a new Federal Department of Commerce and Labor, in which was established a Bureau of Corporations, whose head became a member of the cabinet. Although these new executive agencies were given no regulatory powers, they performed invaluable service through investigations and publicity. Moreover, during the month of February the Elkins Act, providing for the punishment of the receiver as well as the giver of rebates, became a law. Although these measures fell short of the President's expectations, they laid the foundation for the larger body of constructive legislation that was to follow and definitely established the principle of governmental regulation.

#### ROOSEVELT AND THE PROTECTIVE TARIFF

On the question of the protective tariff the position of Roosevelt was more indefinite and for that reason less satisfactory than on any other. As a matter of fact, he does not appear to have given the subject a great deal of study at any time in his long political career. It seemed of minor importance to him when compared with the railroads, the trusts, public health, and conservation. As late as 1912 he remarked that the tariff was "only a question of expediency." Nevertheless, from about 1902 on, it received an increasing amount of attention and eventually, in Taft's administration, became largely responsible for the disruption of the party. In many of the Western states in particular the wisdom of an extremely high protective tariff was coming to be doubted, and its association with the growth of trusts was becoming firmly established. The fact that Roosevelt was hostile to the trusts and at the same time apparently indifferent to the tariff was frequently pointed out as one of the many inconsistencies in his political creed. Nevertheless, after the Republicans of Iowa in 1902, under the leadership of Governor Albert B. Cummins, demanded a revision of the tariff in order to prevent shelter to monopolies, Roosevelt frequently

discussed the subject in public addresses. In these he urged such a reduction of the duties as would make it possible "to maintain the principle of protection and yet keep the tariff schedules flexible and subject to change by the expert advice of a nonpartisan commission.

#### THE PRESIDENTIAL ELECTION OF 1904

The opening of the presidential campaign of 1904 found Roosevelt firmly entrenched in the affections of the rank and file of the Republican party. Naturally he wished to be elected president in order to hold office "in his own right," as he termed it, and not by the chance of assassination. Indeed, so solicitous did he become regarding the progress of his campaign for the Republican nomination that many of his friends feared lest his outspoken interest might react against his candidacy, and his enemies used him as an illustration of a lack of dignity and poise wholly unbecoming the occupant of the highest office within the gift of the people. Indeed, he had some reason for anxiety; for his strenuous policy and open attack on the moneyed interests of the country had alienated Wall Street and the captains of industry, and his independence was most objectionable to the party bosses. Furthermore, late in the summer of 1903 the American Federation of Labor censured him because he had reinstated in the Government Printing Office an assistant foreman who had been removed by his superior officer on the ground of his expulsion from a local labor union. Although a staunch supporter of organized labor, Roosevelt refused to permit his administration to discriminate between union and non-union men. At the same time every phase of his aggressive foreign policy, particularly the so-called "rape of Panama," was made a subject for violent protests from Democrats and Republicans alike.

Although Hanna (who since his entrance to the United States Senate had been steadily growing in popular esteem, especially among the conservative classes) was not an open candidate for the Republican nomination, Wall Street was doing everything in its power to groom him for the position and force his hand in the matter. A multimillionaire and the recognized leader of

the moneyed interests in the country, he was, at the same time, extremely popular with labor. Before the end of 1903, however, the political situation in his own state and the condition of his health at the age of sixty-six caused him to decline to enter the contest, and his death on February 15 of the following year removed definitely all hope which the conservatives may have had of defeating Roosevelt. Consequently when the Republican national convention assembled he was nominated without opposition and Charles W. Fairbanks, governor of Indiana, was named for the vice presidency.<sup>1</sup>

The platform presented by Henry Cabot Lodge, chairman of the Committee on Resolutions, placed the stamp of approval on both the domestic and the foreign policies of the Republican administration. It enthusiastically praised Roosevelt in particular. "He has held firmly to the fundamental doctrine," it stated, "~~that all must obey the law~~; that there must be no distinction between rich and poor, between strong and weak; but that justice and equal protection under the law must be secured to every citizen without regard to race, creed, or condition." The planks, dealing with the question of big business and labor were especially significant. In part they declared: "Combinations of capital and labor are the results of the economic movement of the age, but neither must be permitted to infringe upon the rights and interests of the people. Such combinations, when lawfully formed for lawful purposes, are alike entitled to the protection of the law, but both are subject to the laws, and neither can be permitted to break them." The protective tariff also was strongly indorsed.

In the Democratic national convention the conservative forces which had dominated the party before 1896 regained the ascendancy after a dramatic struggle with the followers of W. J. Bryan, the presidential candidate in the campaigns of 1896 and 1900. The platform, which condemned the Republican administration as "spasmodic, erratic, sensational, spectacular and

<sup>1</sup> A keen political observer, Charles G. Washburn, later a congressman from Massachusetts, wrote concerning the presidential campaign of 1904: "The old order which was incarnated in Hanna had not then passed away, but it was passing. . . . When McKinley and Hanna died, the old dynasty fell."

arbitrary," paid only scant attention to either the question of imperialism, on which attention had been concentrated in 1900, or that of the free and unlimited coinage of silver, a major issue in the two preceding campaigns. It especially featured a reduction of the tariff, the enforcement of the anti-trust legislation, the popular election of United States senators, generous pensions, and civil-service reform. In fact, Bryan and the radical wing of the party from the West were frankly discredited, and a decided effort was put forth to meet the "radicalism" of Roosevelt with an attempt to capture the votes of big business and the sound-money East.

In the selection of a suitable candidate the Democrats experienced much difficulty. Before the meeting of the convention a strong movement favoring Cleveland developed among the conservatives in the East, where the ability and the statesman-like qualities of their former leader had come to be thoroughly appreciated. Cleveland, however, refused to permit his name to go before the convention. The radicals were booming the candidacy of William R. Hearst of New York, the owner of a chain of sensational newspapers, but it was soon found that his strength was not great. In time Circuit Judge Alton B. Parker of New York, a man of sterling qualities and conservative tendencies, although little known outside his own state, was given the nomination; and Henry W. Davis, a millionaire octogenarian from West Virginia, was named as the vice-presidential candidate. On receipt of the news of his nomination Judge Parker created a sensation in the convention through a message to that body to the effect that he regarded the gold standard "as firmly and irrevocably established," and that in case the convention did not approve this attitude it should name some other candidate. Regardless of the efforts of Bryan and the silver members of the convention, a motion was passed stating that that body did not consider the "monetary standard" as a "possible issue in this campaign."

Thus, since a predominately radical Democratic party presented a conservative candidate and a conservative Republican party had a moderate radical as its candidate, the main issue in the campaign soon centered round the personality of Theodore

Roosevelt. The result, of course, was a foregone conclusion from the beginning.<sup>1</sup> Little interest was shown in the campaign, although both Judge Parker and President Roosevelt made a number of extended speaking tours. The Western Democracy as a whole supported Parker in a half-hearted way; but thousands of individual members of the party voted for Roosevelt, whose struggle with the "vested interests" struck a sympathetic chord throughout the West irrespective of party affiliations. When the election returns were in, the Republicans were found to have won the most sweeping victory in their history. Not only did they retain control of both Houses of Congress, with increased majorities, but Roosevelt obtained 334 electoral votes to 140 for Parker. Roosevelt's plurality exceeded 2,500,000. In addition to carrying all the Northern and Western states, he won three border states — Delaware, West Virginia, and Missouri. The increase of the Socialist vote from 95,000 in 1900 to 403,000 in 1904 occasioned much anxiety in conservative quarters and emphasized the need for a thorough reorganization of the machinery and aims of the old parties.

Roosevelt, manifestly elated at the extent of his success, issued a public statement to the effect that he would regard the three years and a half of McKinley's second administration as his first term, that he approved the "wise custom which limits the President to two terms," and that "under no circumstances" would he "be a candidate for or accept another nomination." This utterance hastily made was to rise up to plague him in later years.

<sup>1</sup> The Prohibitionists nominated Silas Swallow of Pennsylvania; the Socialists, Eugene V. Debs of Indiana; the Socialist-Labor party, Charles H. Corregan of New York; and the old Populists, Thomas E. Watson of Georgia.

## CHAPTER XXI

### ROOSEVELT'S SECOND ADMINISTRATION, 1905-1909

#### REGULATION OF RAILROADS

Roosevelt interpreted his great victory in the political campaign of 1904 as a mandate from the people to continue the struggle for the legislative control of big business. Hence since the railroads (representing some \$14,000,000,000 in capital, a sum exceeding that of any other industry in the country) were the most conspicuous object of attack by the reformers, he directed his attention to strengthening the power of the Interstate Commerce Commission. A variety of circumstances had combined to arouse public hostility against the railroads. Among other things recent investigations had demonstrated the extent to which the old abuses prompting the passage of the Interstate Commerce Act of 1887 (pp. 222-225) still survived, regardless of that legislation, and at the same time the inability of the Interstate Commerce Commission as organized to deal satisfactorily with the situation. Accordingly in his messages to Congress in December of 1904 and of 1905 Roosevelt recommended that rate-making power subject to judicial review be given to the Interstate Commerce Commission and that the jurisdiction of that body be extended and strengthened. The House, which was more radical on this subject than the President, readily passed on February 9, 1905, a bill introduced by W. P. Hepburn of Iowa, which granted the Commission, among other things, definite rate-fixing powers without appeal to the courts.

While the question was pending in the Senate an active railroad lobby worked constantly, at first to defeat the measure and later to weaken it wherever possible. Moreover, the delegation of the right to determine rates without a judicial hearing aroused the bitterest hostility in the Senate. Such friends of the President as Lodge and Knox, as well as others, joined the con-

servatives in an attempt to delay and eventually to alter the terms of the Hepburn Act. Their point of view was expressed by Knox when he said, "The proposition that such a vast amount of property is beyond the protecting clauses of the Constitution, that the owners may be deprived of it by the arbitrary enactment of any legislation, State or nation, without any right to appeal to the courts is one which cannot for a moment be tolerated." Although the opposition was sufficiently strong to defeat action in 1905, the popular demand for the legislation grew steadily. Then Senator Robert M. La Follette, fresh from a successful program of legislation for corporation control in Wisconsin, assumed the leadership of those who favored the Hepburn Act. Finally, after the bill had been revised to include the right of judicial review of rates fixed by the Commission, it passed both Houses of Congress and became a law in June, 1906.

This measure enlarged the scope of the Interstate Commerce Commission to include express and sleeping-car companies, pipe lines, switches, spurs, tracks, and terminal facilities engaged in interstate business, increased the membership of the Commission from five to seven, and fixed the tenure of office at seven years. It empowered this body to determine just and reasonable rates and to order the carriers to adhere to them, leaving to the latter the burden of initiating court action. Furthermore, the act instructed the Commission <sup>to</sup> prescribe uniform methods of bookkeeping for the railroads. Free passes were forbidden, and changes in rates were to be published thirty days before alteration. Later the provision forbidding interstate or foreign transportation of any commodity, timber excepted, produced by the carrier was so modified by court decisions that its original intent was defeated. The Hepburn Act, however, corrected most of the weaknesses and faults of the act of 1887, so that since 1906 the Commission, because of its increased powers, has become a responsible and efficient body.<sup>1</sup>

<sup>1</sup> During the eighteen years of the existence of the Commission before the passage of the Hepburn Act only 878 cases were brought before that body. In the first two and a half years under the new measure the Commission tried some 1500 cases in addition to adjusting with formal hearings several thousand others.

In its annual report of 1908 the Interstate Commerce Commission asked for additional grants of power, including authority to control issues of railway stock and bonds, to bring court proceedings without complaint, and to make physical valuations. On the recommendation of President Taft, Congress in 1910 passed the Mann-Elkins Act, which allowed the Commission to suspend for six months the operation of a new schedule of rates pending an investigation and established a Commerce Court of five circuit judges selected by the Chief Justice to sit continuously at Washington to hear appeals from the rules and acts of the Commission. The Commerce Court, however, never gained popular confidence; and after Robert W. Archbold, in 1912, was impeached and removed from membership in the court on the charge of using his influence to enhance his personal fortunes, it was discontinued by the failure of Congress to provide funds for its maintenance. The request of the Commission for the right to control the issues of bonds and stock was rejected, and not until the passage in 1913 of the Physical Evaluation Act was the Commission authorized to "investigate, ascertain, and report in detail" within five years the original cost to date, the cost of reproduction new, and the cost of reproduction less depreciation of the property of all common carriers as a basis for rate-making.

Since Federal jurisdiction did not extend to the transportation of products other than those crossing state lines or foreign borders, the task of regulating local traffic within the states devolved upon the states themselves. There the complaints of discrimination, excessive rates, and inadequate service were heard on every hand, especially after the passage of the Hepburn Act in 1906. During the following year the legislatures of thirty-nine states which were in session passed three hundred (and more laws touching every phase of the railroad business. In fact, rate regulation became almost a passion. Twenty states fixed maximum charges for passenger fares, in many instances without any previous investigation of the economic conditions on which legitimate rates might be determined. The result was an almost complete demoralization of the railroad business, with an unfavorable reaction on business in general. By 1909 the



hostility to the railroads had somewhat subsided. Six hundred and sixty-four railroad measures were enacted by the forty-one legislatures in session that year, but they were less harsh than those of 1907. Many of the extreme laws were declared unconstitutional, and others were so modified as to be acceptable to the railroads. The outcome of all this agitation was that the principle of regulation was incontrovertibly established and came to be exercised largely through state railroad commissions or in some instances through public utilities or corporation commissions. In fact, by 1917 only two states were without commissions of this kind.

The combination of railroads accompanied that in other lines of industry for precisely the same reasons; namely, to insure greater efficiency and larger profits and to eliminate competition. Although temporarily checked by the abolition of pooling agreements and other measures and especially by the court decision in 1904 in the Northern Securities case, consolidation has continued to develop by means of interlocking directorates, stock ownership, and similar practices, until today easily recognized regional combinations are evident throughout the country. By 1906, of the 228,000 miles of railroads in the United States 176,000 were divided among seventeen systems. In 1921 Senator La Follette made the statement that twenty-five directors linked together 211,280 miles of railroads, or 82 per cent of the country's transportation lines, and that these in turn were closely affiliated with the leading equipment companies. To check this tendency, the government has been able to accomplish but little, although a number of railroad combinations have been dissolved.<sup>1</sup>

### PURE FOOD AND DRUGS LEGISLATION

The propaganda and the public discussion in connection with the consideration and eventually the passage of state and Federal legislation dealing with railroads, labor, and big business in general led to a painstaking examination of every phase of

<sup>1</sup> The Clayton Anti-Trust Act of 1914 and the Transportation Act of 1920 as they are related to the question of consolidation will be discussed later.

human endeavor, especially as it was related to the government and the well-being of the people as a whole. Eventually this led to a projection of Federal authority in a new and unexpected direction; namely, over the protection of public health. With the growth of cities and the improvement of means of communication the tendency toward consolidation naturally extended to the manufacture of foods. Furthermore, the shipment of food over long distances and the selling of it many months after it had been prepared required preservation, and this in turn caused the perfection of refrigeration and other inventions so as to bring to the average man an abundance and variety of food regardless of season, time, or distance. Food prepared in factories and contained in cans or packages gradually displaced that sold in bulk and cooked at home. As the consumer could no longer differentiate between good and bad food, the greed for quick profits, characteristic of the past half-century, led to adulteration and deceit on a wholesale basis to the injury of millions of innocent purchasers.

The extent of these new developments and their relation to the health of the people were brought to the attention of the public through investigations made by Edwin F. Ladd, food commissioner of North Dakota, James H. Shepard, state analyst of South Dakota, Dr. H. W. Wiley, chief chemist of the Department of Agriculture at Washington, and a host of less well-known men. The deplorable condition in the meat-packing establishments which furnished a goodly portion of the meat consumed in the country was exposed in a sensational volume written by Upton Sinclair entitled *The Jungle*. His findings were substantiated by a special congressional investigating committee and agents of the Department of Agriculture, whose reports indicated the extent to which unwholesome and diseased foods were being marketed as well as the disastrous effects on the health of the consumers.

Closely associated with these exposures was the movement for the regulation of the sale of patent medicines and drugs, which had developed into one of the largest businesses in the country, with a volume reaching \$59,611,000 in 1900. Especially noteworthy in enlightening the public as to the fraud in this par-

ticular business was the work of Edward Bok in the *Ladies' Home Journal*, of Samuel Hopkins Adams and others in *Collier's*, and of James R. Mann in the House of Representatives. The advocates of reform showed that the claims advanced for many remedies and cure-alls were exaggerated and untruthful since upon chemical analysis many of the most widely advertised medicines were found to be either useless or actually harmful.

As these conditions became known a demand developed for the passage of legislation to remedy the evils. This found expression first in numerous state laws and eventually in Federal enactments. In this connection the same forces which opposed governmental supervision of the railroads, corporations, and trusts delayed action for many years for exactly the same reasons. Beginning in the late nineties, the question came regularly before each session of Congress, always with the same result. The interests were too powerful to be dislodged. However, with the report of investigating commissions at their disposal and an aroused public sentiment behind them, the reformers succeeded in having passed in 1906 the Meat Inspection Act and a Pure Food and Drugs Act. The Meat Inspection Act required rigid inspection by governmental officials of all slaughterhouses and packing concerns preparing meat products for distribution in interstate and foreign commerce so as to make sure that they were obtained from healthy animals and slaughtered and prepared under sanitary conditions. The Pure Food and Drugs Act prohibited the "manufacture, sale, or transportation of adulterated, misbranded, poisonous, or deleterious foods, drugs, medicines, and liquors." In the cases of both drugs and foods the laws required further that an accurate statement of the contents of each package be printed and placed on the outside of the container, and they specifically forbade the addition of any ingredients "which may render such article injurious to health." In brief, this legislation was in the interest of the health of the community and was a protection to the purchaser. \In the course of time the manufacturer has come to recognize the fact that the production of wholesome products under strictly sanitary conditions not only is desirable from an ethical standpoint but is a sound business practice as well.

## THE CONSERVATION MOVEMENT

Among the achievements of Roosevelt's administration was the impetus which he gave to the movement for the conservation of the nation's resources. Indeed, immediately after his arrival in Washington to assume the presidency on the death of McKinley, he discussed the question at length with Gifford Pinchot, Chief Forester of the government, and F. H. Newell of the United States Geological Survey; and in his first message to Congress the following December he stated, "The forest and water problems are perhaps the most vital internal questions of the United States." Although deeply embroiled at all times in the fight for governmental regulation of big business and in the promotion of his vigorous foreign policy, he never lessened his interest in conservation.

The task of arousing sentiment on the question, however, was difficult, because it meant the complete reversal of the attitude of most Americans toward the natural resources of the country. From the beginning of its history the frontier had been open and easily accessible, and the quantities of land, timber, and minerals were thought to be nearly inexhaustible. The inevitable result was the rapid exploitation of raw materials and natural advantages in utter disregard of the well-being of future generations. The richest land was utilized; the forests were destroyed by reckless cutting and wholesale logging, with no attempt at reforestation; only those seams of coal that were easily accessible were mined; and the supplies of iron, oil, gas, and other products were being rapidly diminished with equal wastefulness.

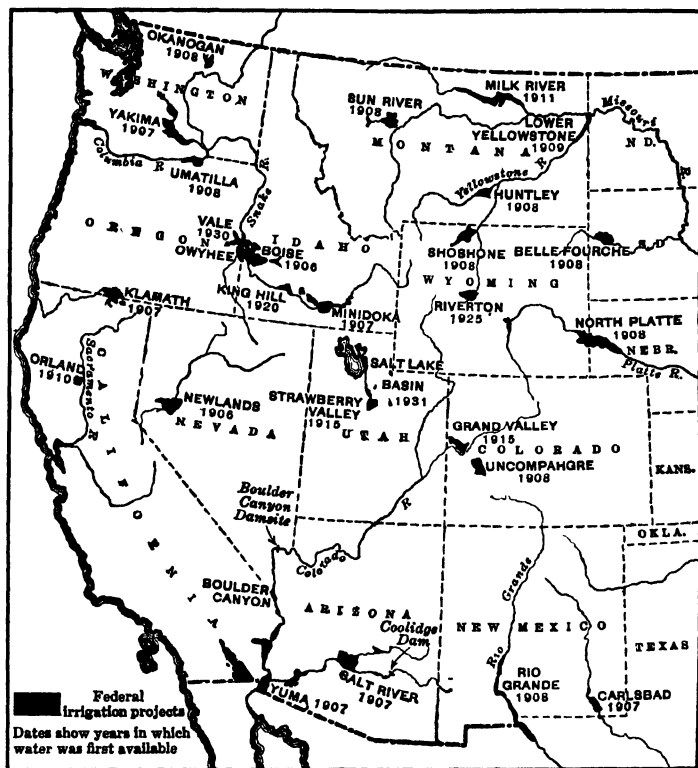
At the same time there was a marked tendency for a constantly decreasing number of people to control most of the natural resources. As an illustration of this, the ownership of the timberlands may be cited. At the close of the Civil War three fourths of the standing timber of the United States was owned by the public, whereas forty years later four fifths of it was in private hands and this four fifths in turn was controlled by less than two hundred individuals. Thus the question of the conservation of natural resources became involved in that of corporate control. As Gifford Pinchot said, it had become

"a moral issue and the heart of it is this: for whose benefit shall our natural resources be conserved — for the benefit of us all or for the use and profit of the few?" In other words, should the selfish exploitation and waste of raw materials and natural advantages continue as previously, or should the policy be adopted for their utilization over a long period of time for the greatest good to the greatest possible number? In 1901 the question was a vital one; for, according to the opinion of scientists, at the current rate of consumption the forests would be exhausted in less than half a century, anthracite coal in about the same time and bituminous coal in a little more than a century, and petroleum, oil, gas, iron, and other minerals were already showing signs of depletion in many areas. What brought matters to a head, however, was the disappearance of the open frontier toward the end of the last century and the exposure of many fraudulent schemes for gigantic landholdings.

### IRRIGATION

Before the end of the century the government had done much to assist in the development of the semiarid land in the West, of which some 400,000,000 acres were suitable for agriculture, provided only that water were available. In order to encourage irrigation by private capital, the Desert Land Act of 1877 allowed an individual to acquire 640 acres instead of the usual maximum of 160 acres. Since this act accomplished little, it was supplemented in 1894 by the Carey Act, which authorized the granting to the arid states of desert land up to 1,000,000 acres each on condition that the state should forthwith undertake the reclamation of the land. In 1908 the maximum was raised to 2,000,000 at the request of Colorado and Idaho, and the provisions of the act were extended to the territories. By June 3, 1910, the states had acquired 6,587,508 acres under this legislation, much of which had been immediately resold to private individuals. Owing to the large amount of capital required for irrigation, however, comparatively little progress had been made either by private individuals or by the states. As a result of this fact, together with the increased

interest in conservation, Congress in the Reclamation, or Newlands, Act of 1902 assumed the responsibility of promoting the reclamation of land. This measure set aside the receipts from sales of public lands in the sixteen so-called arid or semiarid



FEDERAL IRRIGATION PROJECTS

states and territories as a special fund to be used in the construction of irrigation works. The cost of construction was to be refunded by the users of water over a period of ten years. These sums, together with the money acquired from additional sales of public land, were to be employed for the completion of other works, thus creating a revolving fund for the perpetuation of

the program of irrigation without the need of new legislation. Within four years after the passage of this act work had been begun on twenty-four irrigation projects in fourteen different states. The area irrigated in 1928 from government works was 2,677,000 acres, and the value of the crops was \$143,573,000. On June 30 of the following year the revolving fund of the Bureau of Reclamation invested in reclamation projects was \$172,000,000. It is estimated that the increased value of lands and other properties within the area exceeds \$500,000,000.

By far the greatest irrigation project which the government had ever undertaken was provided for in an enactment passed by Congress in December, 1928, and officially approved by President Hoover soon after his inauguration the following year. This measure, known as the Boulder Canyon Project Act, authorized the construction of a dam across the Colorado River at Boulder, or Black, Canyon with the idea of supplying water for irrigation purposes and power to the seven states of the Southwest. The project provided for a dam nearly seven hundred feet in height to create a lake more than one hundred miles in length with a capacity of between 25,000,000 and 30,000,000 acre-feet of water, or enough to cover the state of Kentucky to a depth of one foot. This dam will hold the entire flow of the river for a year and a half and thus will make possible equalizing the flow of the river in different years so as to protect the lands from floods in the valleys adjacent to the river below the dam and improve navigation. Seven years will be required for its construction, and the total cost of the project will exceed \$165,000,000, which will be repaid to the government together with interest by the users of the water and power over a period of fifty years. It is estimated that the project will develop 1,000,000 horse-power hydroelectric energy at the dam, with 550,000 constant horse power available at all times. The land reclaimed by the water will, it is said, support a population of 5,000,000 people. Early in 1931 work was begun on this huge project, which has been renamed the Hoover Dam.

Notwithstanding the continued governmental aid, approximately four fifths of the irrigation has been accomplished by private initiative.

A subject of constant discussion and controversy throughout the country and in Congress for years after the World War was the use or the disposal of the \$150,000,000 power plant built during the war at Muscle Shoals, Tennessee, for the manufacture of nitrate for gunpowder, and capable of supplying an enormous quantity of electrical power.

#### THE RECLAMATION OF SWAMP LANDS AND FLOOD CONTROL

Another important type of reclamation has been the drainage of seventy-four million acres of swamp and overflowed lands, the major portion of which is located in sixteen of the forty-eight states, with at least a million acres in each. Under legislation enacted by Congress in 1850 and in 1860 six sevenths of this area has been turned over to the states, which in turn sold much of it to individuals and syndicates. Though the work of drainage has proceeded fairly rapidly under private initiative and state enterprise, the awakening of interest in conservation and the part which the national government has taken in it have led to a movement for the increase in the Federal appropriations for that purpose. Furthermore, the interstate character of many large drainage projects has been urged as sufficient ground for increased national aid. In 1914 and again in 1915 Congress appropriated large sums to be used in carrying on investigations of the question of flood control and the problem of the wet lands in general.

Closely associated with the subject of irrigation, conservation of forests, flood control, and internal commerce is the development of the nation's inland waterways. Although the United States contains twenty-six thousand miles of navigable rivers and more than forty-five hundred miles of canals, inland transportation by water has developed slowly since the opening of the railroad era; in fact, only about 10 per cent of the total domestic commerce of the country is carried by water. With the growing insufficiency of the facilities for transportation and the rapid advance in freight charges, interest in water transportation has been revived. Furthermore, the relation of the improvement of rivers to flood damage, soil erosion, and the



reclamation of wet lands has gradually come to be more widely appreciated than heretofore.

Roosevelt presented the need for the improvement of the waterways of the country to Congress in several messages, and in 1907 he appointed an Inland Waterways Commission, with Theodore E. Burton of Ohio as chairman, to "consider the relation of the streams to the use of all the great permanent natural resources and their conservation for the making and maintenance of permanent homes." During the fall of the same year he attempted to attract attention to the question by means of a trip down the Mississippi River, and in 1908 he assembled a Conservation Congress composed of the governors of the states and territories, representatives of sixty-eight societies, the members of the Inland Waterways Commission, and some fifty-odd special guests. This body discussed at length the difficulties associated with the conservation of the nation's resources, and ways by which the greatest degree of coöperation between the states and the Federal government might be attained in solving these problems. The effect of the meeting was especially noticeable in the increased attention throughout the nation to every phase of conservation. Proposals for the construction of an intercoastal canal to provide protection from the storms that often play havoc with the coastal commerce along the Atlantic and the Gulf, the connection of the Great Lakes and the Gulf by an inland deep waterway, the deepening of rivers everywhere, and the building in coöperation with Canada of a canal down the St. Lawrence from the Great Lakes to accommodate ocean steamers were constantly before Congress, which was making increased appropriations for rivers and harbors each year.

The national character of the whole question was brought to the attention of the country in a forceful way in 1927 by the most devastating flood in the history of the Mississippi Valley. Several hundred thousand acres of land were inundated, and the property losses ran into hundreds of millions of dollars. This disaster led to the passage in May, 1928, of the Mississippi Flood Control Act, one of the most extensive and costly projects which the Federal government has ever undertaken. The preamble to this enactment declared it to be the sense of Congress

that the principle of local contribution toward the cost of the work of flood control, which had been incorporated in all previous national legislation of this character, was fundamentally sound, "as recognizing the special interest of the local population in its own protection, and as a means of preventing inordinate requests for unjustified items of work having no material national interest. In view of the fact," it stated, "that local interests have already contributed approximately \$292,000,000 for protection against the floods of the Mississippi River, of the extent of national concern in the control of these floods in the interest of (a) national prosperity, (b) the flow of interstate commerce and (c) the movement of the United States mails, and of the gigantic scale of this project, involving flood waters of a volume and flowing from a drainage area largely outside the states most affected, and far exceeding those of any other river in the United States, no local contribution to this project is required." The expenditure of the sum of \$325,000,000 was then authorized for the raising, strengthening, and enlarging of the levees from Cape Girardeau, Missouri, to the Gulf of Mexico. The act further provided for detailed surveys of the entire course of the Mississippi River and its tributaries with the object of supplying data for further extensions to the proposed system through levees, flood-storage reservoirs, and other means which might be deemed advisable. The work involved in the completion of this stupendous undertaking will of necessity require several years at best.

### THE CONSERVATION OF THE FORESTS

When Roosevelt became President practically nothing had been done to conserve the forests, which were being ruthlessly exploited by private individuals. Not only were they fast coming into the possession of a few persons, but little attention was being given to their replenishment. Though Congress in 1891 authorized the president to withdraw the forest lands from entry in the public domain at his discretion, only 46,828,000 acres had been thus withdrawn before 1901. At that time, however, the increased price of lumber and the interrelation of

the problems of river flow, soil waste, flood control, and forests caused the latter question to become intimately associated with the general conservation movement. In his first message to Congress, Roosevelt succinctly stated the problem thus: "Wise forest protection does not mean the withdrawal of forest resources, whether of wood, water, or grass, from contributing their full share to the welfare of the people, but, on the contrary, gives the assurance of larger and more certain supplies. The fundamental idea of forestry is the perpetuation of forests by use. Forest protection is not an end in itself; it is a means to increase and sustain the resources of our country and the industries which depend upon them." Acting on the advice of the Chief Forester, Gifford Pinchot, who did more than any other individual to call the question of forests to the attention of the public, the Forest Service in 1905 was reorganized, extended, and placed under the Department of Agriculture. Before the expiration of Roosevelt's term of office 148,000,000 acres were added to the national-forest area, and under the guidance of Pinchot an elaborate system was worked out for the scientific preservation and utilization of the timber grown and for a regulated use of all the resources located on these lands. Within a few years the work of fire protection alone had amply justified the new policy of forest legislation, and the amount of money obtained from the sale of timber grew annually.

#### SUBSEQUENT CONSERVATION LEGISLATION

Regardless of the fact that at the close of Roosevelt's administration the conservation movement had won widespread national support, the West showed little enthusiasm for the movement and Congress was apathetic. The second governors' conference, in 1909, and the propaganda of the National Conservation Association, of which Charles W. Eliot and Pinchot were leaders, succeeded in bringing national, state, and local conservation agencies together in one concerted effort to obtain the much-needed legislation necessary to make the movement permanently effective. Taft was in entire sympathy with the program of Roosevelt, although the unseemly quarrel between

his Secretary of the Interior, Richard A. Ballinger, and Gifford Pinchot, which culminated in the dismissal of Pinchot as Chief Forester, led many people to question his sincerity on the subject. As a matter of fact, he added much land to the forest reserve, especially that which contained possibilities for water power, and pushed with vigor the prosecution of those guilty of violating the land laws, one hundred and fifteen of whom were convicted in 1909 alone. Furthermore, on the recommendation of President Taft and Secretary Ballinger, Congress in 1910 completely overhauled the legislation dealing with public lands. The result was the adoption of a practical and progressive conservation policy. Two of the nine laws that were passed dealt with coal, phosphate, oil, natural gas, and asphalt lands, and provided for the separation of the title to the surface from that to the minerals. The government thus retained control of the land and leased the mineral and other rights.

Of special significance was the passage of the Appalachian Forest Reserve Act of 1911, which set aside \$2,000,000 a year for the purchase of the lands lying in the vicinity of the headwaters of the navigable streams in the White Mountains and the southern Appalachians. Under this legislation 1,285,000 acres had been acquired by June 30, 1915. Since that date several appropriations have provided funds for a considerable enlargement of this area. Meanwhile practically every state in the Union has enacted much legislation dealing with the questions of conservation and reclamation and extending the scope of the movement to include birds, animals, flowers, etc.

### THE "RICH MAN'S PANIC" OF 1907

The period of prosperity ushered in by McKinley's administration continued for sixteen years, interrupted only temporarily on several occasions by flurries in the stock market properly ascribable to overspeculation. The first of these occurred in 1901 as a direct result of the stock-gambling incidental to the struggle between Hill and Harriman, the two railroad magnates of the West, for the control of the Northern Pacific Railroad. The second, which appeared two years later, was somewhat

more general, but it too was of short duration and was limited to a comparatively small number of individuals. The recently formed gigantic corporations had thrown on the market such large quantities of "watered" stock, or, as one shrewd observer termed it, "indigestible securities," that the public could not absorb them. The collapse of the speculative market, therefore, was inevitable. Within a few days the stock of the United States Steel Corporation, of which more than a billion dollars had been issued, sold for less than 9 per cent of par. However, the adoption of a more cautious policy by big business concerns and the payment of handsome dividends quickly restored public confidence and demonstrated the great earning power of concentration.

In October, 1907, there came a similar, although a much larger, panic. The significant movement toward huge industrial combinations offering alluring profits again led to overcapitalization and speculation. Though the banks were in excellent condition, prices were good, there was little unemployment, and industry in general was flourishing, nevertheless the financial situation was ripe for a collapse and readjustment. In October the climax was reached when a group of speculators associated with some of the largest banks in New York City made an unsuccessful attempt to corner the copper market. Runs on the banks were started, factories shut down, and business generally became paralyzed. Within a few days thirteen banks in New York City alone had failed, and the panic spread rapidly to other parts of the nation. In many places specie payments were suspended and clearing-house certificates were issued. Those in New York City alone amounted to \$84,000,000. To meet this situation gold was imported from abroad, and the Federal government deposited with the banks \$36,000,000 from its surplus funds. Consequently by the first of February the crisis had been passed and confidence was almost completely restored. Meanwhile the enemies of the President were loud in their denunciation, ascribing to "Theodore the Meddler" full responsibility for the business collapse. As a matter of fact, his vigorous campaign for the regulation of big business probably contributed little or nothing toward that end.

## THE ALDRICH-VREELAND CURRENCY ACT OF 1908

This panic of 1907 is especially significant in that it called to the attention of the public the defects in the national banking and currency systems of the country. When the panic first broke, there was sufficient currency in existence to satisfy the demands of business, but the machinery for pooling resources in such a way as to relieve those establishments that were in temporary distress was sadly lacking. There was need for a greater degree of elasticity in credit facilities than could be obtained under either the national banking system or the Currency Act of 1900. To remedy this situation Congress passed in 1908 the Aldrich-Vreeland Act, which provided for the issuance of bank notes by the Treasury Department on approved securities of states, cities, and municipalities and on commercial paper to be lent to the banks in times of stress and to be retired gradually as prosperous conditions were restored. This, it was thought, would make the currency more elastic and tend to lessen the possibility of financial depressions. The duration of the law was until June 30, 1914, and later it was extended a year. Another feature of the bill called for the appointment of a National Monetary Commission composed of nine senators and nine representatives to study conditions of currency and banking and report to Congress. After four years of intensive investigation this body, of which Senator Aldrich, one of the best-informed men in the country on the question, was chairman, published in 1912 thirty-eight volumes of information and presented to Congress some specific recommendations, known as the "Aldrich plan." Although approved by financiers in general, the report was not well received by the public, since it advocated that private banking interests, instead of the government, be given control of the proposed system. Though Congress could not come to a decision in the matter during the administration of President Taft, the information so laboriously collected by the commission was of great benefit to the Democrats when they took up the subject in 1913.

## THE PRESIDENTIAL ELECTION OF 1908

Before the opening of the presidential campaign of 1908 the financial crisis had been passed and all political signs pointed to a Republican triumph. Roosevelt, although unpopular with the conservative leaders in the party and with many business men, was so popular with the rank and file of the people that there is little doubt but that he could have obtained either the nomination for himself or the naming of his successor. Regardless of the statement made on the night of his election in 1904 that he would not be a candidate for reelection, a third-term movement was well under way before the end of 1907. In December, however, he reaffirmed his unwillingness to permit his name to go before the Republican convention and urged his friends to discontinue their efforts in his behalf. Nevertheless the demand for his candidacy persisted. Moreover, he was tremendously interested in the nomination, because the naming of a progressive or a conservative candidate would determine largely whether or not his policies would be continued or reversed.

Among the conservatives discussed in connection with the presidency were Joseph G. Cannon of Illinois, Speaker of the House of Representatives, Charles W. Fairbanks of Indiana, the vice president, and Senator Joseph B. Foraker of Ohio. To forestall the nomination of any one of these candidates, Roosevelt openly gave his support to the Secretary of War, William Howard Taft of Ohio. Elihu Root, whom he regarded as the ablest man in public life, might have won his support had it not been for the fact that his long tenure as attorney for big corporations made him unacceptable to the West. "Root would make the better president," said Roosevelt, "but Taft will make the better candidate." Charles E. Hughes, a progressive statesman from New York, had a strong following also, as had the more radical Robert M. La Follette of Wisconsin. Not only were Roosevelt and Taft the closest of personal friends, but Roosevelt felt certain that in Taft's hands the work which he had accomplished would be preserved and continued. Furthermore, Taft's long and varied public service had won for him unstinted admiration from political friends and enemies alike.

Having once announced his preference, Roosevelt threw himself into the campaign with his characteristic energy. When the national convention assembled in June, 1908, Taft was nominated on the first ballot with 702 of the 979 possible votes.

After indorsing in glowing terms the achievements of the party under Roosevelt's administration, the platform promised a revision of the existing tariff schedules "by a special session of Congress," the establishment of a currency system "responding to our greater needs and possessing increased elasticity and adaptability," and the increase of the authority of the government over corporations having "power and opportunity to effect monopolies." As a concession to labor it declared that "no injunction or temporary restraining order should be issued without notice, except where irremediable injury would result from delay."

The selection of the Democratic standard bearer likewise was preordained before the meeting of the national convention. Although Bryan had lost in the campaigns of 1896 and 1900, the candidate of the Eastern conservative wing of the party had suffered such an overwhelming defeat in 1904 as to make it generally agreed that the nominee in 1908 should be taken from the West and that he should represent the radical wing of the party. During the four years Bryan had kept himself constantly before the people through lectures, private correspondence, and personal contacts; in fact, he had made the selection of any candidate other than himself almost an impossibility. The special honors which he received on a tour round the world in 1905-1906, although dimmed somewhat by his advocacy for a time after his return of the governmental ownership of railroads, greatly added to his prestige, and he had established a vast, idolizing personal following that was unique in American political history. Consequently the opening of the campaign saw most of the state party organizations under his control. When the convention assembled he was nominated enthusiastically on the first ballot.

The platform condemned the Republican party as the partner of trusts and special interests. It pledged the Democratic party to prohibit contributions to the campaign by corporations and to give due publicity to those made by individuals. With ref-



erence to the tariff, which was becoming increasingly important in public discussions, it proposed to place on the free list those "articles entering into competition with trust controlled products"; to reduce materially the duties on the "necessities of life, especially upon articles competing with such American manufactures as are sold abroad more cheaply than at home; and [to make] gradual reductions . . . in such other schedules as may be necessary to restore the tariff to a revenue basis." On the currency question it promised to compel national banks to establish a guaranty fund for the protection of their depositors. It declared private monopolies to be "indefensible and intolerable," and proposed as a remedy for existing violations of the anti-trust legislation to prohibit the duplication of directors among competing corporations, to establish a Federal license system, and to compel licensed corporations to sell to all purchasers on the same terms throughout the country. Since the Republicans had identified themselves specifically with Roosevelt's progressivism, many features of which had been taken from the Democratic platforms of previous campaigns, the issues soon centered around the indorsement or the repudiation of Roosevelt's administration. Regardless of the speaking tours of Bryan and other men of prominence, little interest was manifested by the general public. According to the *New York Nation* the campaign closed "with the issues yet undefined and with many thoughtful men still dubious as to the proper way to vote." The result of the election was a sweeping Republican victory. Taft received a plurality over Bryan of 1,269,900 votes and an electoral vote of 321 to 162.<sup>1</sup>

Although suffering an overwhelming defeat in the national campaign, the Democrats won many victories in the state and municipal elections. Five Democratic governors were elected in states carried by Taft, and the normal Republican majorities in others were greatly reduced. One characteristic of the campaign was the unusually large number of independent votes and

<sup>1</sup> In the five minor parties the Populist candidate, Thomas E. Watson, polled 28,231 votes; the Socialist, Eugene V. Debs, 420,820; the Socialist Labor, August Gillhaus, 13,825; the Prohibitionist, E. W. Chafin, 252,683; and the [Hearst's] Independence League, T. L. Hisgen, 83,562.

the unmistakable evidence of the weakening of old party lines and the increased importance of personalities.

Immediately after the inauguration of President Taft, Roosevelt returned to his home in Oyster Bay, Long Island, to complete his arrangements for an extended hunting trip in East Africa. Though he had thoroughly enjoyed his work as president, he was anxious to leave his successor unembarrassed either by any sense of political obligation toward him or by the possibility that his many friends, after long years of association, might continue to seek political guidance from him rather than from the new executive head of the party and the nation. He had the utmost confidence in Taft, to whose hands the continuance of his policies had been intrusted.

## CHAPTER XXII

### PRESIDENT TAFT AND THE PROGRESSIVE REVOLT

#### WILLIAM HOWARD TAFT

Few if any of the successors of Washington brought to the presidency qualifications superior to those of William Howard Taft. Although his success in life was owing to his own efforts and merits, his beginnings were fortunate, for his family was wealthy and influential. His father was a distinguished lawyer, judge, and cabinet member under President Grant, one of the founders of the Republican party, and a member of the convention that nominated Lincoln. Born in 1857 at Cincinnati, Ohio, the place to which his parents had migrated from New England, William Howard Taft attended the public schools and later entered Yale. At twenty-one he became assistant prosecuting attorney of Hamilton County, Ohio, and during the next ten years he established a record as one of the ablest lawyers in the state. At the age of twenty-nine he was judge of the superior court of Ohio, at thirty-two solicitor-general of the United States, at thirty-four judge of the Federal circuit court, at forty-two head of the Philippine commission and a year later the first civil governor of the Islands, at forty-six Secretary of War in Roosevelt's cabinet, and at fifty-one president of the United States. After the expiration of his term as president in 1913 he became Kent Professor of Law in Yale; and in 1921 he realized the one great ambition of his life in his appointment to the Chief Justiceship of the Supreme Court, a position which he held with signal honor until his resignation shortly before his death in March, 1930.

As far as personal character and high ideals are concerned, Taft compared favorably with any of his predecessors in the presidency. He possessed a lovable disposition almost unsurpassed in American political history and a personality especially

adapted to win confidence and to conciliate opposition. He was buoyant, optimistic, and gentlemanly in all his relations, private and public. Indeed, his good nature was proverbial, as were his tactfulness and his patience. Throughout his life the call to public duty elicited from him immediate response regardless of the sacrifice entailed. On two occasions he pushed aside the long-coveted appointment to the bench of the Federal Supreme Court because he felt that his services were needed in the Philippines.

In contrast to his predecessor, he possessed a judicial temperament rather than a combative one. His mind was not pugnacious nor were his habits strenuous. Furthermore, he was almost wholly lacking in the ability to advertise himself and to sense public sentiment. As an administrative officer he was deliberate and logical rather than impulsive and executive. After Taft's retirement from the presidency Roosevelt recounted how Taft when Secretary of War in his cabinet had come to him with his problems clearly weighed for the President's decision; and he acknowledged his error in supporting Taft for the presidency by remarking that "he was a good lieutenant but a poor captain." Roosevelt's characterization of his former friend and confidential adviser proved largely correct, although various extenuating circumstances entered into the case. Within a few weeks after Taft's inauguration as president his party became hopelessly divided, a condition for which he was not wholly responsible; two years later it lost control of the House of Representatives, and at the end of his own term of office Taft received one of the most overwhelming defeats recorded in a presidential election. He displayed such good humor and sportsmanship, however, that he was soon restored in public confidence.

Indeed, during the seventeen years that remained of his life, he exhibited the finest type of American citizenship. His public utterances were characterized by candor and sanity, and they exerted a profound influence on public opinion. During the World War and the strenuous years that followed, he assumed a nonpartisan attitude toward all questions, often opposing the policy of his own party. Long before his death he had made himself one of the nation's most valuable assets.

## TAFT'S BREAK WITH THE ROOSEVELT LIBERALS

From all outward appearances Taft's administration was begun on March 4, 1909, under circumstances of unusual promise. The new president was so highly respected by all classes that he seemed a happy medium between McKinley and Roosevelt. Although he was regarded as a reformer and was pledged to the continuance of Roosevelt's policies, even his political opponents acknowledged that the country would be safe in his hands. It was predicted on every side that he would be "conservatively progressive and progressively conservative." Contrary to expectations, however, a middle-of-the-road attitude such as this was not to meet with the approval of the hostile forces that had been arrayed against each other during the tempestuous days of Roosevelt's régime.

Indeed, the last three months of Roosevelt's presidency were stormy in the extreme. Under the leadership of the conservative, stand-pat Republicans in Congress the recommendations of the President were ignored and his every act was assailed.<sup>1</sup> Thus legislative business was at a standstill. The dissensions between the liberals and the conservatives in Congress were becoming increasingly visible as the end of Roosevelt's administration approached. Men like Hale and Aldrich in the Senate and Speaker Cannon, Dalzell, and Tawney in the House, all enemies of the so-called Roosevelt policies, boldly set out to restore the lost authority of the legislative department of the government, with the result that it was soon evident that they were in complete control of both Houses of Congress. At the same time the liberals, smarting under their defeat and urged on by a strong popular sentiment, opened an assault in the Senate on the domination of the conservatives, while in the House they delivered attack after attack on Speaker Cannon and on those rules of business procedure which made it possible for the Speaker to hold in check the rapidly rising flood of social and economic legislation.

The eyes of both factions in the party were turning quietly

<sup>1</sup> During the seven and a half years of his presidency Roosevelt sent to Congress 421 messages dealing with public affairs.

to President-elect Taft, on whom the leadership of the nation was soon to rest. Indeed, Roosevelt appeared almost completely shorn of his power. In the words of James Bryce, "Nobody likes him now but the people." <sup>1</sup>Taft watched these developments with the keenest interest, for he knew that the success of his own administration depended on the coöperation of his party in Congress. At the same time he was gradually coming to an appreciation of the responsibility that was soon to be his and to an instinctive desire for freedom from all outside influences in determining the course of his conduct. Although grateful to Roosevelt for the part he had taken in his elevation to the presidency, he wanted to make the administration his own in a true sense of the word. Signs of the impending break between these two former friends began to appear soon after the election, but it was not until the delivery of the inaugural address and the announcement of the cabinet appointees that its significance began to dawn on the friends of the previous administration. Not only were most of the men recommended by Roosevelt for preferment ignored, but no explanation was given for this action. James Wilson, the veteran Secretary of Agriculture, and George von L. Meyer, who was transferred from the Post Office to the Navy Department, were retained in the new cabinet; and Philander C. Knox, Attorney-General from 1901 to 1904 and later United States senator from Pennsylvania, was made Secretary of State. All the other members of the cabinet belonged to the President's profession of law, were drawn from private life, and for the most part were not widely known. Furthermore, Roosevelt's friends in other branches of public service gradually found themselves displaced in Taft's administration. Faced with a struggle with the conservatives in Congress at the very beginning of his administration, the new president, who was in no sense of the word a fighter, attempted to bring about a reconciliation between the opposing forces, with the result that in the end he accepted the reactionary leadership of Aldrich and Cannon in Congress. He did not surrender his principles, however, as has often been asserted. As he was not an extremist, he hoped by coöperation with the two contending factions

in his party to win support for his mildly liberal program, since a continued deadlock could win for him nothing. He had been "handed a red-hot stove" so to speak, and he had to do the best he could under the circumstances.

#### THE PAYNE-ALDRICH TARIFF OF 1909

The most important public question in 1909 was that of the tariff. For a number of years the feeling that a general revision of the rates of the Dingley tariff of 1897 was badly needed had been steadily gaining strength. As a result of the growth of infant establishments into great corporations and the development of new industries, the schedules established by that measure failed to meet in a satisfactory way the needs of industry. In some cases the rates were no longer necessary for protection or were exceedingly high, and in others they either did not exist at all or were too low. In spite of this situation, however, big business, which had become firmly entrenched in the national life, opposed any tinkering with the rates for fear of loss of protection through radical reductions. Furthermore, the reciprocity provisions of the Dingley Act, which were intended to make it possible to reduce the higher level of duties, had been nullified by a conservative Senate (p. 346) which refused to ratify the reciprocity treaties made by McKinley's administration. Aside from these features the law was never popular. Even McKinley, as his view of world problems broadened, came to regard an extreme protective tariff primarily as a restriction on foreign trade, and in his last public address at Buffalo he recommended the adoption of a liberal policy of reciprocity. Meanwhile the Republican party was becoming more and more closely identified with the protected interests, while the Democratic party was inclined to place greater emphasis on the policy of tariff reduction than it previously had.

Irrespective of party lines, however, protests against the effects of the Dingley tariff steadily increased after 1900 as the cost of living advanced more rapidly than wages. At the same time the profits of the great combinations and the payment of handsome dividends on stock by the manufacturers of commod-

ities indispensable to the millions of plain working people caused much dissatisfaction. This was especially true in the agricultural West, where the old conviction was revived that tariffs helped the manufacturer more than the farmer, particularly since agricultural imports were then relatively unimportant, as they continued to be. Meanwhile, as Roosevelt's policy for the regulation of big business developed, the protective tariff and the idea of monopoly became inseparable in the minds of many, a belief which was confirmed by the investigations of individual trusts.

Beginning about 1905, the demand for a revision of the Dingley rates appeared in many Republican state platforms, and in December, 1907, Roosevelt brought the question to the attention of Congress with some specific recommendations. The platforms of both parties the following year gave major importance to pledges of tariff revision. The Republicans did not define what was meant by revision. Taft and other party leaders assured the public that while the duties on a few items might be advanced, the general level of rates would be substantially reduced.

Immediately after his inauguration President Taft, in compliance with the promise of his party to revise the tariff in a special session of Congress assembled for that purpose, issued a call for the meeting of that body on March 15, 1909. The Republicans had control of both Houses, with a strength of 61 to 32 in the Senate and of 219 to 172 in the House of Representatives. The latter body at once proceeded to reëlect as Speaker for the fourth successive term Joseph G. Cannon of Illinois, known as "Uncle Joe," one of the ablest and the most popular men who had ever held the office in spite of the fact that he had aligned himself with the stand-pat wing of the party to such an extent that the liberals openly accused him of using his great office in the interest of conservative legislation. The attempt to defeat his election, however, was easily frustrated, although some minor changes were made in the rules with the ostensible purpose of reducing the autocratic power of the Speaker and expediting procedure.

On the third day of the session Sereno E. Payne of New York, chairman of the Committee on Ways and Means, introduced a tariff bill which his committee had had under consideration



since the preceding May and on which public hearings had been held after the November elections. This measure, which was somewhat better than the tariff revisionists had anticipated, passed the House by a party vote of 217 to 161. In the Senate, however, which was under the complete domination of the old stand-pat element, with Nelson W. Aldrich of Rhode Island, an unusually able parliamentarian and an expert on tariff questions, at the head of the Finance Committee, there was a general revision upward of the rates. This led to eleven weeks of debate. More than eight hundred amendments, three fourths of which increased rates, were added to the House bill. Although the time allotted for discussion was limited by Chairman Aldrich, the more progressive among the Republicans — including A. J. Beveridge of Indiana, A. B. Cummins and Jonathan Dolliver of Iowa, J. L. Bristow of Kansas, and R. M. La Follette of Wisconsin, with the help of others who more or less bore Roosevelt's stamp — succeeded, after dividing the schedules for detailed study, in prolonging the debate and advertising both the injustice of many of the rates and the extent of the betrayal of the party's faith. Despite this opposition the Aldrich Bill passed the Senate by a vote of 45 to 34 on July 8.

With the exception of recommending in June that the levying of an income tax be postponed until a Federal amendment to the Constitution conferring that power on Congress should be adopted and that the inheritance-tax provision of the Payne Bill be substituted for a tax on the net earnings of corporations, President Taft made little or no attempt to interfere with the matter or to influence Congress in its consideration of the tariff schedules. When the amended bill reached the conference committee, however, he urged and obtained a few slight alterations in rates, which were inconsequential. The resulting measure (called the Payne-Aldrich Bill) passed the House by a vote of 195 to 183, with twenty Republicans in the opposition, and the Senate by a vote of 47 to 31, with seven Republicans voting in the negative. The Republican congressmen who voted against the bill were termed "insurgents."

To what extent the Payne-Aldrich Act was a fulfillment of the party pledge of 1908 is still a debatable question. Though

many inconsistencies in the Dingley rates were corrected, others equally conspicuous and objectionable were created, and the measure as a whole represented a slight revision upward rather than downward. Unquestionably, however, a number of its features were highly commendable. For instance, it provided for a tax of 1 per cent on the net earnings above \$5000 of corporations, created a customs court to equalize and expedite the machinery of the assessment and collection of duties, and established a tariff board to undertake inquiries as a basis for future tariff legislation and for use by the president in the application of the new maximum and minimum rates. A by-product of the debates on the Payne-Aldrich tariff was the passage by Congress of the income-tax amendment, which when ratified by the states became one of the most important features of the revenue system of the Federal government.

With the final adjournment of the special session of Congress public sentiment, which for the most part had remained apathetic during the long tariff debate, became thoroughly aroused as the true character of the measure was disclosed. The feeling of resentment and disappointment was immeasurably intensified by the "insurgent" Republican congressmen, who on their return to their homes branded the bill as a violation of the pledges of the party and as a victory for privilege.

Partly to allay some of the growing hostility to his administration President Taft made a sixteen-thousand-mile speaking tour. In the course of this trip, on September 17, at Winona, Minnesota, he delivered an address in the congressional district of J. A. Tawney, who had supported the bill and who incidentally was one of Roosevelt's chief enemies in the House, in which he justified the vote of Tawney and pronounced the measure "the best tariff law the Republicans ever made, and therefore the best the country ever had." In subsequent addresses he continued to defend that unpopular measure, although he and his administration had everything to lose and nothing to gain by this course. The result was that he convinced no one and left the impression that he had definitely allied himself with the stand-pat group and that thenceforth Cannon, Aldrich, Penrose, and other conservatives would dominate his

policies. The attitude of the Western Republicans in general was voiced in the state platforms of 1910, most of which condemned the tariff as inconsistent with the party pledges of 1908. Nevertheless Taft continued to profess his adherence to the liberal policies of Roosevelt's administration, and in his messages to Congress he called them to the attention of that body for favorable consideration.

### THE BALLINGER-PINCHOT CONTROVERSY

While the Republican party was being rent asunder over the Payne-Aldrich tariff, a second disaster to Taft's administration came in the Ballinger-Pinchot controversy. During the summer of 1909 Chief Forester Gifford Pinchot openly criticized the administration for its public-land policy and asserted that the water-power sites were being absorbed by a trust. A little later L. R. Glavis, an employee of the Department of the Interior, charged that the Cunningham group, personal friends of Secretary Ballinger, who had formerly represented them as their attorney, had got control fraudulently of valuable coal lands in Alaska. Much interest was aroused in these accusations, and the idea soon became widespread that Secretary Ballinger was associated with an attempt to seize the public resources. The partial reversal of the policy of his predecessor by throwing open for private ownership lands previously placed in the permanent governmental reserves gave some credence to this belief. Ballinger attempted to justify his conduct in the matter and induced President Taft to discipline both Glavis and Pinchot by removing them from the service. Although later a congressional investigating committee completely exonerated Ballinger from wrongdoing, neither this fact nor the formulation of an excellent program for the conservation of the nation's resources, which Congress promptly enacted into law (pp. 482-483), could allay public suspicion, and in March, 1911, he resigned from the cabinet. The publicity which this unfortunate controversy aroused weakened further the position of President Taft with the people and identified him with the conservatives and those vested interests which were seeking favors from the government.

## THE INSURGENT REVOLT IN THE HOUSE OF REPRESENTATIVES

The Ballinger-Pinchot incident tended also to widen the breach in the Republican party between conservatives and progressives, or insurgents, which theretofore had been confined to mutterings of dissatisfaction. In fact, the removal of Pinchot caused such a definite rift that from that time until the end of Taft's administration the insurgents held the center of the political stage. Although not numerically strong, the revolvers for the most part were unusually able men, in complete accord with the liberal tendencies of the period; and their thirty or so members held the balance of power in the House. Beginning with the regular session of Congress in December, 1910, they united in directing their attention to the reorganization of those practices which had enabled the conservatives to determine the character of legislation.

Their first assault was made against the Speaker of the House, who in the course of time had gradually come into the possession of enormous powers, which when exercised disinterestedly promoted efficiency. Indeed, the unwieldy size of the House had made necessary the centralization of authority in the hands of a few individuals (pp. 233-234). Hence the Speaker had acquired the right to appoint all committees with their chairmen, positions on which the influence and the prominence gained by any individual member of the House were largely dependent; the authority to govern legislative procedure through his chairmanship of the Committee on Rules, which fixed the limits of debate and compelled or prevented the consideration of particular measures; and the power, through his prerogative of recognition, to decide who should and who should not speak on the floor of the House. In the hands of a masterful parliamentarian like Cannon, therefore, the ordinary members were brought into complete subordination. Furthermore, through the appointment of conservatives to the key committees much progressive legislation was prevented from reaching the floor of the House or was so emasculated that it was not acceptable to the original sponsors. Protests against this procedure had been made from time to time, especially when the enemies of

Cannon's régime found themselves left off the desirable committees. In mid-March of 1910, however, the insurgents through a coalition with the Democrats succeeded, after one of the most dramatic struggles in the history of the House, in forcing the adoption of a resolution introduced by George W. Norris (Republican) of Nebraska increasing the membership of the Committee on Rules (to which the Speaker was to be ineligible) from five to ten members, all of whom were to be elected by the House. The following year, when the Democrats gained control of the House, the proposal which Champ Clark, the new Democratic Speaker, had advocated for several years, to place the appointment of the remaining committees in the hands of the Committee on Ways and Means subject to ratification by the House, was adopted. By these measures the Speaker's position as a determining factor in the passage of legislation was definitely taken from him, and his authority was confined to that of a presiding officer.

These developments were watched with intense interest, particularly in the Western states, where insurgency was rampant. Everywhere, however, the progressives, encouraged by the victory over the conservatives in the national House of Representatives, redoubled their efforts to restore in actual practice the basic principles of "government by the people and for the people." Coincident with the dethronement of the Speaker came the announcement that the reactionary leaders in the Senate — Nelson W. Aldrich and his chief associate, Eugene Hale of Maine — were about to retire from public life.

### THE RETURN OF ROOSEVELT FROM AFRICA

The rancorous struggle between the insurgents and the conservatives in Congress prolonged itself throughout the session of 1910. The Payne-Aldrich tariff and the Ballinger-Pinchot controversy had so consolidated the friends of Roosevelt against the administration that a movement was inaugurated to force the reëntrance of Roosevelt into national politics immediately on his return from Africa. "Back from Elba" clubs were formed in many places, and early in the summer a number of men went

to Europe to give Roosevelt first-hand information about the real political situation. At that time Roosevelt was making a triumphal trip through Europe, where he was honored as the most distinguished American citizen. Though he had no desire to become embroiled in the partisan strife that threatened to wreck the Republican organization, he could not sit by quietly and see his policies discarded and the fruits of his long struggle come to naught. In an address delivered on June 18, 1910, to the throng that had gathered in New York to welcome him home he stated that he was "ready and eager" to do his part so far as he was able "in helping solve problems which must be solved, if we of this, the greatest democratic republic upon which the sun has ever shone, are to see its destinies rise to the high level of our hopes and its opportunities."

While engaged as contributing editor of *The Outlook* he received calls constantly for addresses and for assistance to progressive friends or progressive legislation. At the urgent request of Governor Hughes he did what he could to further the movement in New York for the establishment of the direct primary system. Later, at the Republican state convention he was elected temporary chairman over Vice President Sherman, the representative of the "Old Guard"; and in one of the most dramatic fights in his career he forced the adoption of a progressive platform and secured the gubernatorial nomination for Henry W. Stimson, who had been Federal attorney in New York under Roosevelt and Secretary of War in Taft's cabinet.

In the course of an extended speaking trip through the West during the following summer and early fall he enunciated on August 31 at Osawatomie, Kansas, his political creed in what he termed "the new nationalism." Among other things, this called for the publicity of corporate affairs, the prohibition of the use of corporate funds for political purposes, close governmental regulation of all business concerns doing an interstate business, an expert tariff commission and the revision of the tariff, schedule by schedule, a graduated income tax, the conservation of natural resources, public accounting of campaign funds before elections, labor legislation, direct primaries, and the recall of elective officials. Furthermore, it urged an exten-

sion of the powers of the Federal government so that there could be no "neutral ground," or "twilight zone," between state and nation to serve as a refuge for law-breakers. "The new nationalism," Roosevelt said, "puts the national before sectional or personal advantages. It is impatient of the utter confusion that results from local legislatures' attempting to treat national issues as local issues. It is still more impatient of the impotence which springs from the overdivision of governmental powers, an impotence which makes it possible for local selfishness or for legal cunning hired by wealthy special interests to bring national activities to a deadlock."

Though there was nothing revolutionary in these proposals, there was much that disturbed the reactionaries, whose primary interest was in property rather than in human rights. The accusation that the policy was taken largely from the program of Bryan and the Western Democracy concerned Roosevelt but little. At that time and for many months thereafter, however, he carefully avoided aligning himself against the administration or expressing a definite opinion as to whether or not his policies were being upheld.

#### THE DEMOCRATIC TRIUMPH IN THE CONGRESSIONAL ELECTIONS OF 1910

The dissensions in the Republican party encouraged the Democrats to put forth unusual efforts to gain control of Congress in the elections of 1910. Emphasizing especially the tariff act, Cannon's autocratic methods, the high cost of living, and the alliance of big business with Taft's administration, they carried their story into every election district in the land with telling effect. A Republican majority of 47 in the House was converted into a Democratic majority of 63, and the Republican control of the Senate was reduced from 28 to 10, a number which could be easily overcome by an Insurgent-Democratic coalition. Among the doubtful states and those that usually returned Republican majorities which were won by Democratic candidates for governor were Maine, Massachusetts, Connecticut, New York, New Jersey, Ohio, Oregon, and Indiana. Of special importance in the

light of subsequent political developments was the election in New Jersey of Woodrow Wilson, former president of Princeton. The substantial defeat of Taft's administration at the hands of the Democrats was augmented by the victories won in state after state by the insurgents, who not only gained control of the party machinery but greatly increased their strength in both Houses of Congress. The result was a thoroughgoing popular repudiation of the administration.<sup>1</sup>

### CANADIAN RECIPROCITY

With the Democrats in control of the House of Representatives during the second half of Taft's term, the Republicans were effectually checked in any attempt to secure the passage of important legislation which bore the stamp of the party. Meanwhile the rift in the Republican ranks was being widened appreciably and the administration was being thoroughly discredited. The attempt to discipline the insurgents through the withdrawal of patronage failed utterly to force the recalcitrants into line. In fact, the appointment of Justice Edward Douglas White of Louisiana, a Democrat, an ex-Confederate soldier, and a Catholic, to the Chief Justiceship of the Supreme Court over Justice John M. Harlan, a Republican and an ex-Union soldier from Kentucky, whose tenure on the Supreme Court exceeded that of White, aroused a wave of protest in many sections of the North.<sup>2</sup>

Of far greater significance than party differences, however, was the negotiation on January 11, 1911, of a reciprocity agree-

<sup>1</sup> Although Roosevelt was much dissatisfied with President Taft's administration, he supported the party candidates in the election. His position is clearly stated in a letter to Senator Elihu Root dated October 21, 1910: "I have been cordially helping the election of a Republican Congress," he said, "having split definitely with the Insurgents on this point; for though I am bitterly disappointed with Taft, and consider much of his course absolutely inexplicable, I have felt that, as in so many other cases, I had to make the best of conditions as they actually were and do the best I possibly could to carry Congress and to carry the state of New York, with the entire understanding on my part that victory in either means the immense strengthening of Taft." He closed with this significant statement: "Very possibly circumstances will be such that I shall support Taft for the Presidency next time."

<sup>2</sup> In his single term Taft was called on to appoint six members to the Supreme Court, one of whom was Charles E. Hughes of New York.



ment with Canada. This question was by no means new, since reciprocity in trade between the two countries had actually existed from 1854 to 1866, with the express purpose on the part of the American government of preparing the way for ultimate annexation. Unfortunately this arrangement was terminated at the close of the Civil War as a result of hostility toward England growing out of her attitude in the war. The subject was revived about 1898, but it was not until 1911 that an agreement was reached. By this plan the duties would have been reduced or abolished on approximately five hundred articles, which concerned for the most part Canadian food products, wood pulp, and lumber, and American agricultural implements and manufactured articles. Opposition developed at once in the farming and lumbering regions of the Northwest and in parts of New England. Since the American manufacturer would not only obtain cheaper food and raw materials but gain access to the large Canadian markets for his finished goods, the agreement was branded as having been prompted by favoritism of the worst sort. Accordingly the National Grange and other farm organizations sent delegations to Washington to protest. Their cause was taken up by the insurgent Republicans, most of whom were from the Northwest. However, with the assistance of the Democrats, who looked on the agreement as a means of reducing the tariff and an instrument for widening the breach in the Republican party, the supporters of Taft carried the measure through the House of Representatives, although only 78 Republicans voted in the affirmative to 87 in the negative.

The short session of Congress ended before the question came to a vote in the Senate. Hence President Taft, contrary to the advice of many leaders of his party, called the new Congress together on April 4 for the express purpose of ratifying the agreement. Immediately after assembling, the House proceeded to elect Champ Clark, a popular and capable congressman from Missouri for sixteen years, as Speaker, and Oscar W. Underwood of Alabama as chairman of the Committee on Ways and Means. After weeks of discussion in the Senate the reciprocity measure was approved by a vote of 53 to 27. Of the negative votes 24 were cast by Republicans.

Although this plan was ratified by the American government, the completion of the arrangement was dependent on its acceptance by the Canadian parliament, in which unexpected opposition had developed. After an adverse vote the government of Sir Wilfrid Laurier ordered a special election, in which the opponents of the agreement, led by Sir Robert L. Borden, won a striking victory, thus encompassing the final abandonment of the whole reciprocity plan. In the campaign Canadian nationalism as contrasted with close economic and political affiliation with the United States was made the main issue. Possibly a deciding factor in the outcome was the publicity given certain indiscreet remarks made by American statesmen. For example, President Taft stated that Canada was "at the parting of the ways," and that the reciprocity agreement would develop such an extensive trade between the two countries that Canada would become "an adjunct of the United States." With an equal lack of appreciation of its political effect Speaker Clark declared that he was looking "forward to the time when the American flag" would "fly over every square foot of British North America up to the North Pole." Thus by the adverse action of the Canadian people on the reciprocity agreement Taft's administration was further embarrassed, and the possibility of a Democratic victory in the presidential election of 1912 was measurably advanced.

#### THE DEMOCRATIC-INSURGENT ASSAULT ON THE PAYNE-ALDRICH TARIFF

The special session of Congress called together to give its sanction to the Canadian reciprocity agreement refused to adjourn until it had prepared a new measure concerning the tariff, the issue which had largely decided the elections of 1910. Acting in close coöperation with Senator La Follette and other insurgents, Chairman Underwood of the Committee on Ways and Means brought before Congress three important tariff bills during the early summer of 1911. The first, known as the Farmers' Free List Act, removed the duties on agricultural implements and a large number of commodities used extensively by farmers ;

the second revised the famous "Schedule K" by a reduction of more than 50 per cent on wool and woolen manufactures; the third, a Cotton Schedule Act, scaled down the rates on cotton manufactures, chemicals, metals, paints, and other articles. These three measures, called "popgun bills," passed both Houses with substantial majorities only to meet with presidential vetoes. Taft justified his action on the ground that the legislation not only was "hasty, loosely drawn, haphazard, and empirical," but was not based on definite information on the industries and interests affected such as the newly created tariff board would soon be prepared to supply. Since the country for the most part regarded the bills as quite satisfactory, the vetoes added greatly to the strength of the opposition to the President and to the regular Republican organization that supported him in the action.

#### OTHER LEGISLATIVE ENACTMENTS

Regardless of the factionalism that prevailed in the Republican party during Taft's presidency, the record of his administration shows an exceedingly creditable volume of constructive legislation enacted. The fact that he moved slowly and quietly and lacked the ability to popularize either himself or his acts made it appear that he was accomplishing nothing. Among the achievements of his administration, some of which have been described previously, the following may be mentioned: the admission to the Union of New Mexico and Arizona, the last territories of the United States on the continent; the establishment of parcel post and the postal savings banks; the requirement of publicity for campaign contributions for the elections of senators and representatives; the extension of the jurisdiction of the Interstate Commerce Commission over the telephone, telegraph, and cable lines; the creation of the Commerce Court; the passage of the Mann "White Slave" Act; the establishment of the Children's Bureau in the Department of Commerce and Labor; the creation of the Forest Reserve in the White Mountains and in the Southern Appalachians; the passage of legislation for the conservation of national resources; the extension of the civil-service system; and the maintenance of a

policy of economy in expenditures and of efficiency in the administration of the public service.

Of special significance was the attempted democratization of the United States Senate through a constitutional amendment providing for the direct popular election of its members. For many years attention had been centered on that body, since its membership comprised a large number of millionaires whose conservatism and consistent opposition to new ventures in social and economic legislation had resulted in the defeat of most of the measures of that character. Nevertheless the movement for the direct election of United States senators was not a new topic of discussion, for as early as 1826 a proposed amendment to that effect was presented to Congress. It was not until 1893, however, that the proposal won the requisite two-thirds majority in the House of Representatives and a much later date before the Senate gave its approval. Meanwhile many states, chiefly in the West, were taking measures to secure in actual practice the direct election of senators. As early as 1875 Nebraska provided for a popular preferential vote on candidates for senatorial seats, and in 1899 Nevada enacted a measure to "secure the election of United States Senators in accordance with the will of the people." Five years later Oregon required the nomination of senatorial candidates in state-wide primaries, the voluntary written pledges of candidates for the state legislature to vote for the senatorial candidates most largely supported by the people, the determination by ballot at the regular election of the "people's choice," and ratification by the legislature under moral compulsion of this popular verdict. By these or other means some twenty-nine states had secured in essence the direct election of senators by 1912. In the face of this situation and the democratic uprising during Taft's administration, the Senate yielded and in June, 1911, approved an amendment for direct election of its members. Two years later, during the first month of the presidency of Woodrow Wilson, this amendment, having been sanctioned by three fourths of the states, was declared a part of the Constitution as the Seventeenth Amendment. In effect this action has not altered essentially the personnel of the Senate.

While these various legislative measures were under consideration by Congress, the prosecution of the trusts, vigorously begun in the previous administration, was carried forward with signal success by Attorney-General G. W. Wickersham. As a matter of fact, more indictments and bills in equity were instituted under Taft than under Roosevelt. Moreover, in the field of foreign affairs Secretary of State Knox won special distinction. Although his readiness to use the government as an agency to protect the trade and investments of American citizens abroad caused considerable criticism and the characterization of his policy as "dollar diplomacy," his conduct was the natural outcome of the increased economic importance of the United States in world affairs. The fear that this might lead to the exploitation of weaker peoples and the establishment of a militarism similar to that of the commercial powers of Europe was unfounded, although in a number of instances the policy has been carried too far to be consistent with American traditions and ideals.

#### THE PROGRESSIVE MOVEMENT

As the time for the opening of the presidential campaign of 1912 approached, the various political groups began to make active preparations for the coming struggle, which all agreed bade fair to be one of the most bitterly contested in the history of the country. In both the major parties a strong progressive, or liberal, movement, which had been developing for many years, had gradually gained such momentum that in 1912 it aspired to the control of the party machinery. In a way it was nonpartisan, for in political tenets the progressives among the Republicans and those among the Democrats differed but little. To them all the protection of the public against the menace of big business seemed to call for the rebuilding of the whole political structure from the nomination and election of officials to legislative and administrative procedure. Their ultimate objective was the restoration of popular government and the abolition of special privilege, which, they maintained, was dictating legislation, stifling wholesome competition, and holding in check the growing need for governmental regulation and supervision

of corporations and trusts. Although national and nonpartisan in its essentials, the progressive movement, because of the struggle within the Republican party during Taft's administration, gradually came to be associated with the liberals in that organization.

Indeed, as early as January 21, 1911, a full year before the opening of the presidential campaign, the insurgent Republicans in Congress organized the National Progressive Republican League with Senator Jonathan Bourne of Oregon as president. In public declarations it asserted that "popular government in America" had "been thwarted, and progressive legislation strangled" by corrupt influences which dominated the political parties and determined the course of legislation. As a means of combating these evils, it proposed the direct election of United States senators, the popular election of delegates to the national conventions, corrupt-practices acts, the direct-primary system, and the initiative, referendum, and recall in the states. The immediate aim of the organization was to gain control of the machinery of the Republican party in order to force the nomination of a progressive candidate for president and the adoption of a liberal platform. Although Roosevelt declined to identify himself with the movement, he approved practically every feature of the league's political program. The league grew rapidly in numbers and influence from the date of its organization. On April 30 a conference of its leaders held in Washington decided to put forward Senator La Follette, the most gifted as well as the most aggressive of the group, as a candidate against Taft for the Republican nomination. Headquarters were established, the campaign was definitely launched, and thereafter an attempt was made to establish La Follette organizations in all the states. La Follette himself spoke to large audiences in many parts of the country and entered into the campaign with his characteristic vigor.

Meanwhile the Eastern progressives, who for the most part feared that La Follette's extreme radicalism would defeat his nomination or his election if nominated, were turning more and more toward Roosevelt, regardless of the fact that he had consistently refused to make a clear-cut statement as to whether

or not he would accept the nomination in case it were tendered him by the Republican national convention. Their position was greatly strengthened as a result of a speech delivered in Philadelphia by Senator La Follette in which he showed signs of a mental and nervous collapse and which was followed by reports that he was physically incapacitated for the presidency. Although his friends maintained that his illness was not of a serious nature, a rapid drift toward Roosevelt followed. On February 10 the governors of seven states, together with seventy other Republican leaders, sent a communication to Roosevelt stating that a large majority of the Republican voters of the country favored his nomination, that a majority of the people desired his election as the next president, that in view of this public demand it was his duty to accept the nomination in case it came to him unsolicited, and, furthermore, that a public announcement to that effect should be made at the earliest possible date. Although Roosevelt did not seek the nomination, since personally he had everything to lose and little to gain by entering the campaign, he could not resist the call "to duty." Consequently on February 24 he replied that he would accept the nomination "if it is tendered to me, and I will adhere to this decision until the convention has expressed its preference."<sup>1</sup>

### THE REPUBLICAN NATIONAL CONVENTION

After Roosevelt had thrown his hat into the ring, to use his own phrase, he enthusiastically entered the contest for delegates to the nominating convention. Taft had the support of the national Republican organization and the conservative element in the party, while the progressives quickly joined Roosevelt's forces. Consequently the pre-convention campaign resolved it-

<sup>1</sup> Even before the meeting of the governors Roosevelt had indicated his willingness to enter the campaign for the presidential nomination and had approved in substance the proposed communication to him. It was thought that the announcement of his candidacy in this manner would be less embarrassing to him personally and at the same time would be an effective political move. The seven governors were Bass of New Hampshire, Glasscock of West Virginia, Osborn of Michigan, Hadley of Missouri, Stubbs of Kansas, Aldrich of Nebraska, and Carey of Wyoming. Gifford Pinchot of Pennsylvania and Senator A. J. Beveridge of Indiana took an influential part in these pre-convention conferences.

self from the outset into a contest between Taft and Roosevelt, both of whom indulged in personalities unbecoming men of their high official station. Taft branded the progressive leaders as "emotionalists" and "neurotics" who "would hurry us into a condition which would find no parallel except in the French Revolution," and Roosevelt replied in kind. At the same time La Follette, as his strength gradually dwindled, was bitter toward Roosevelt, whom he disliked personally and whose "progressivism" he distrusted.

Taft's forces concentrated their efforts early in the year in winning the delegates from the Southern states, where the party was weak and where its activities were dominated by the Federal officeholders, who in turn were appointees of the administration. With but few exceptions these conventions, many of which were held before Roosevelt officially entered the contest, elected delegations pledged to Taft. Similarly, in the remaining states where the convention system of nominating candidates prevailed, Taft had an advantage, although Roosevelt won a considerable number of delegates. However, it was in the thirteen states where the delegates were selected by the direct primary system that the main fight was made. There Roosevelt was overwhelmingly successful, winning 281 to 71 for Taft and 36 for La Follette. These popular elections showed that Roosevelt had polled more than five times as many votes as Taft, who lost his own state by 47,000 votes.

On June 6 the Republican national committee, which was composed of one member from each state and territory appointed four years earlier, met at Chicago to make the customary arrangements for the meeting of the national convention, which was to assemble twelve days later. Among other things it was the duty of this committee to prepare the roll of delegates. When it began its work it found that the seats of more than 200 of the 1078 delegates were contested. Many of these had been selected in the Southern states by the followers of Roosevelt largely for the "moral effect." Accordingly the national committee, which was under the complete control of Taft's supporters, by a vote of more than two to one seated enough contested Taft delegates to give the organization con-



trol of the convention regardless of the protests of the progressives. This action was especially significant, since the delegates so chosen would sit in the convention with full privileges until the permanent organization was perfected.

When the convention assembled on June 18 Elihu Root, a Taft supporter whom the national committee had named as temporary chairman, was approved for the position by the convention in a test vote. At a critical stage in the proceedings of the convention he ruled that the delegates temporarily seated, whose status was in dispute, should be given the right to vote equally with delegates whose seats were not questioned. By this procedure the Roosevelt delegates, between fifty and sixty of whom appeared to have been legitimately elected, were disqualified from membership, a number sufficient to have won control of the convention and ultimately the nomination of Roosevelt. The progressives vigorously demanded that the roll be purged, and until this should be done they abstained from further participation in the proceedings; but, disregarding this request, the convention proceeded with the nomination of Taft and Vice President Sherman and the adoption of the platform. This document indorsed Taft's administration and pledged the party to a rather liberal legislative program.

### THE NATIONAL PROGRESSIVE PARTY

Immediately after the adjournment of the Republican national convention on June 22 the dissatisfied adherents of Roosevelt held a meeting, adopted a set of resolutions denouncing the arbitrary action of the convention, and took steps looking toward the formation of a third party. In an impassioned speech Roosevelt declared that the time had come when "not only all men who believe in progressive principles, but all men who believe in those elementary maxims of public and private morality which must underlie every form of successful free government, should join in one movement." He then urged the delegates to return to their homes to sound the sentiment of the people, and to reassemble in a convention later to nominate a progressive candidate and adopt a progressive platform. He expressed his

willingness to lead the fight if he were asked, "even if only one state should support me."

In response to a call issued by a committee representing forty states, a national Progressive convention met at Chicago on August 5. The two thousand delegates making up this body constituted one of the most unique political gatherings in the history of the country. Not only were women present to share equally in the deliberations, but the absence of professional politicians was conspicuous. The spontaneous enthusiasm, accompanied by prayers, hymns, and patriotic songs, gave to the gathering the appearance of an old-fashioned revival meeting.

The platform adopted by this convention had been in process of preparation for several weeks. On the whole, it was an admirable piece of work and included practically all the constructive reforms advocated by the progressives during the preceding two decades. The individual planks grouped themselves under three main headings: political reforms, regulation of trusts and combinations, and legislation dealing with social and economic problems. Among other things it indorsed woman's suffrage and a downward revision of the tariff. To lead the party in the campaign for the adoption of this idealistic program, which was aptly termed the "contract with the people," the convention named unanimously Theodore Roosevelt as the Progressive, or "Bull Moose," candidate for president and the militant corporation fighter, Governor Hiram Johnson of California, for vice president.

#### THE DEMOCRATIC NATIONAL CONVENTION

The dissensions among the Republicans during Taft's administration which culminated in the secession of Roosevelt's adherents at the national convention in Chicago were viewed with undisguised satisfaction by the Democratic leaders. Indeed, the political signs pointed unmistakably toward 1912 as a Democratic year. The great opportunity thus placed within the reach of the party, however, was dependent on the character of its presidential candidate and the tenets embodied in its platform. In fact, since the Democrats, like the Republicans, were divided between progressives, or liberals, and conservatives, or reac-

tionaries, no one could prophesy with certainty that a break would not take place in this party also when the opposing forces met in the national convention to determine the course which the party was to follow. The anti-organization politicians and most of the newspapers professed to be progressives, and the machine leaders were reactionaries. Although the terms were vague, it was popular to be a progressive and unpopular to be a reactionary. For that reason it seemed to many, especially after the renomination of President Taft, that a Democratic victory hinged on the selection of an unqualified progressive as its standard bearer.

Though in the pre-convention campaign a number of candidates appeared, by early summer the contest had narrowed down to four: J. Beauchamp (Champ) Clark of Missouri, Speaker of the House, a progressive; Oscar W. Underwood of Alabama, chairman of the House Committee on Ways and Means, a conservative; Governor Judson Harmon of Ohio, a conservative; and Governor Woodrow Wilson of New Jersey, a progressive. Of these men Clark and Wilson each entered the convention, which assembled at Baltimore on June 25, with more delegates pledged to his support than all their opponents combined. Because of his long public career as a member of the House of Representatives, Champ Clark had built up a powerful political following, by means of which his strength at the opening of the convention was considerably greater than that of his chief rival, Wilson, whose political record was limited to a single term of two years as governor of New Jersey. Wilson's fight against the political bosses in that state, however, and the mass of progressive legislation which he had forced through the legislature against the stiffest kind of opposition attracted wide attention and singled him out as a logical candidate to oppose President Taft. Nevertheless he was not popular with the old-line party leaders, who resented his attitude toward the organization in New Jersey and distrusted him as too liberal and too denunciatory of bosses and machines.

By far the most dominant personality in the convention was W. J. Bryan, a delegate from Nebraska. Before the meeting of the convention he had determined to force the adoption of a

progressive platform and to secure the nomination of a progressive candidate at all costs. He began by declaring absolutely against Underwood and Harmon, branding both as "reactionaries." He was a magnificent fighter, and his courage, resourcefulness, and determination never shone to greater advantage than in the Baltimore convention. Early in its proceedings he secured the adoption of a resolution reaffirming the party's position as "the champion of popular government and equality before the law" and pledged that body not to nominate any candidate who was under obligations to J. P. Morgan, T. F. Ryan, August Belmont (who were members of the convention from New York and Virginia), or any of the "privilege-hunting and favor-seeking classes." Against Tammany Hall he was especially bitter, although he had actually sought its assistance in two of his own presidential campaigns. Between the two progressive candidates, Clark and Wilson, he appeared not to have a preference, although as a delegate from Nebraska he was instructed to vote for Clark, who incidentally had supported him enthusiastically in all his three political campaigns.

At the suggestion of Bryan the nomination of candidates preceded the adoption of the platform, a reversal of the usual order. Owing to the existence of the two-thirds rule in the Democratic party, 728 of the 1092 votes were required for nomination. On the first ballot Clark received  $440\frac{1}{2}$  votes, Wilson 324, Harmon 148, Underwood  $117\frac{1}{2}$ , with 56 scattering. No appreciable change in the strength of the candidates occurred until the tenth ballot, when C. F. Murphy, the leader of Tammany Hall, transferred the 90 votes of New York from Harmon to Clark, thus raising the latter's total to 556 as opposed to  $360\frac{1}{2}$  for Wilson, or a majority of the total. Since on only one occasion in the history of Democratic conventions had a candidate failed to have accorded him the required two-thirds majority immediately after obtaining a clear majority, the nomination of Clark seemed assured. In fact, Wilson, on receiving news of the vote for Clark, is reported to have written a telegram releasing his delegates and pledging his support to the successful candidate. For some reason or other, however, the telegram was never delivered; and on the fourteenth ballot Bryan, in an impassioned speech, trans-

ferred his vote and that of the delegation from Nebraska from Clark to Wilson on the ground that he could not support a candidate who had accepted the assistance of the delegation from New York. Although Clark continued to lead his opponent for a time, Wilson forged ahead on the twenty-eighth ballot, obtained a clear majority on the forty-first, and the necessary two thirds on the forty-sixth. Although disappointed at the turn events had taken Clark loyally pledged his support to his successful rival, voicing at the same time, however, his contempt for the "treachery" and "malicious slanders of Colonel William J. Bryan," to whom he ascribed full responsibility for his defeat. The vice-presidential nomination was given to Governor Thomas R. Marshall of Indiana.

The platform, which was mainly the work of Bryan, was accepted without debate. This thoroughly progressive document promised, among other features, "immediate downward revision" of the tariff, the strengthening of the anti-trust legislation, banking and currency reform, the physical valuation of railways, publicity of campaign contributions, a single term for the president, and an "immediate declaration of the nation's purpose to recognize" the independence of the Philippine Islands as soon as a stable government could be established.

The Socialist party again placed in nomination Eugene V. Debs and adopted a platform demanding the "collective ownership and democratic management" of all the means of transportation and communication, of grain elevators, stockyards, storage warehouses, and all large-scale industries, the abolition of the United States Senate, the abolition of the veto power of the President, old-age pensions and state insurance, and the complete transition from "economic individualism to socialism, from wage slavery to free coöperation, from capital oligarchy to industrial democracy."

The platforms of the three major parties did not differ essentially. All of them were progressive, although the platform of the regular Republican party was less so than either of the others.

## THE PRESIDENTIAL CANVASS OF 1912

The intense public interest which had characterized the pre-convention campaigns was not so evident in the canvass. The defeat of Taft and the triumph of Wilson seemed inevitable from the beginning. Although Taft did not have the slightest hope of success, he and his Republican followers carried through their campaign to the bitter end. At the same time the enthusiastic, confident appeal of the Progressives met with a hearty response far beyond the expectations of their political opponents. The campaigning of Roosevelt was especially effective in its clear enunciation of the Progressive program and in its attack on the old parties. In his addresses Wilson also displayed exceptional ability as a campaigner. Everywhere he assumed a reasonable attitude toward public questions, leaving the impression that he was the exponent of neither radical measures nor extremist principles and that the country would be safe in his hands. He had a fund of political information and unexcelled power of expressing himself in a clear, forceful style that carried conviction and inspired confidence.

In the November election the Democratic candidate carried forty states as opposed to two for Taft and five for Roosevelt, with California divided. Thus the electoral vote was Wilson 435, Roosevelt 88, and Taft 8. Regardless of these imposing figures, Wilson, like many of his predecessors, was a minority president, for the popular vote stood Wilson, 6,286,214, Roosevelt, 4,126,020, Taft, 3,483,922, and Debs, 897,011; in other words, the combined vote of Roosevelt and Taft exceeded that of Wilson by 1,323,728. The fact that the Socialist vote had more than doubled in four years in the face of the progressive protestations of the major parties caused much anxiety among the old political leaders on both sides. To an even greater extent than in the election of 1908 the tendency of the electorate toward independent action in the exercise of the suffrage was especially noticeable.

The Democrats obtained control also of the Senate by a margin of 50 to 44 and of the House of Representatives by 291

to 144. At the same time they were equally successful in the state elections, where they chose twenty-one of the thirty-five governors elected in 1912.<sup>1</sup>

<sup>1</sup> An important feature of the presidential election of 1912 was the use made of the direct-primary system of nominating candidates. Indeed, for a number of years the nominating conventions, in which political bosses and men of wealth appeared to have an undue influence, had been assailed, and a movement had been launched to "restore to the voters" the power of choosing their candidates. As a matter of fact, under the American party system good men cannot be elected to office unless good men are placed on the party tickets, and for that reason the nomination of candidates is as important as the regular election. Consequently, beginning with Wisconsin in 1903, state after state enacted laws requiring the political parties to place their candidates in nomination in state-wide primary elections conducted by the state. In time the movement spread to the Atlantic coast and included practically every state in the Union. In some instances the convention system was expressly abolished, and in others it was retained in a modified form. Time has demonstrated that the direct-primary system has been a decided advance in the direction of simplicity and of popular control, but at the same time it has shown increasingly that the power of the boss has not been eliminated. Means have been found of manipulating the primaries almost as effectively as the conventions, and the new system has proved so expensive that only wealthy men can become candidates.

The direct-primary system was gradually widened to include candidates for Congress and president. By 1912 thirteen states had enacted so-called preferential primary laws, and during the next four years ten more did so. Consequently in 1916 approximately 60 per cent of the delegates to the conventions of the major parties were either chosen by the direct-primary method or bound morally by the preferential vote for president. Since then, however, public interest in the preferential primary has waned, as it has also in the state-wide direct primary.

## CHAPTER XXIII

### WOODROW WILSON

#### THE CHARACTER OF WOODROW WILSON

About the character of Woodrow Wilson, the first Democrat elected to the presidency in twenty years, there still exist the most divergent opinions. To many he stands out as the greatest American of the past century, a capable and courageous leader with unsurpassed patriotism and understanding; while to others he appears as an intolerant egotist, an impractical dreamer with an unquenchable ambition, who was utterly incapable of evaluating properly either the ability or the opinions of others. Few persons who knew him personally or lived through the stirring days of his two administrations took a neutral position with regard to him. Either they loved and admired him or they hated and distrusted him. Nevertheless few disagree with the statement that he exerted a greater influence in world affairs than any other American since the birth of the Republic. It is safe to say, however, that Woodrow Wilson conducted the affairs of the United States in a courageous, patriotic, and high-minded, if not always tactful, manner through some of the most perplexing and complicated domestic and international crises which the nation has ever faced. The situation is especially interesting because of the fact that no chief executive since Grant had entered on the presidency with less practical political experience than Wilson. In fact, his party had been in power such a limited proportion of the time in the previous half-century that it contained few experienced administrators and parliamentary leaders for the formulation and execution of a constructive legislative program. Furthermore, the long struggle between the progressives and the conservatives within its ranks had weakened its cohesive strength, while its rôle as a minority organization in Congress had led to an overemphasis



of its destructive as contrasted with its constructive legislative tactics. Hence the characteristics of the head of the dominant party, the chief executive of the nation, were of prime significance in the history of the country.

At the time of his inauguration (March 4, 1913) Woodrow Wilson was fifty-six years old. His father, a Scotch-Irish Presbyterian minister of the Calvinistic school, was a native of Ohio, although he spent most of his life in the South, where he attained considerable prominence as a preacher, a popular orator, and a chaplain in the Confederate army. Throughout his career Woodrow, who was born at Staunton, Virginia, was greatly influenced by his Scotch ancestry and his Southern environment. Like his father, he was a man of conscience and intellect, to whom a question was either right or wrong. There could be no middle position. When he became convinced that he was right, he would not yield one iota. "I would rather lose," he exclaimed, "in a cause that will some day win, than win in a cause that will some day lose." This uncompromising attitude of mind, together with the fact that he was a man of vision, able to look far ahead, proved at times detrimental to his leadership.

After graduating from Princeton, Wilson began the practice of law in Atlanta, Georgia; but since his reserved, cold, scholarly disposition failed to win clients for him in a country where the ability to meet people easily was considered a prime qualification, and since the hard give-and-take of the average lawyer's life did not appeal to him, he abandoned it and began graduate work at Johns Hopkins University in the field of history and politics. After teaching the social sciences at Bryn Mawr College, Wesleyan University (Connecticut), and Princeton, he became in 1902 president of the latter university. There his persistent attempts during the ensuing eight years to institute certain reforms in organization and methods of instruction caused him to alienate a considerable portion of the faculty and the alumni, with the result that at the time of his election to the governorship of New Jersey in 1910 his relinquishment of his position at the university was a practical necessity. Although he had been supported in his political campaign by the machine organization of the state, immediately on assuming his new

office he allied himself with the progressive forces in the legislature. Thus before the end of his term of two years he passed from a discarded college president to one of the leading aspirants for the presidency of the United States, inasmuch as an Eastern progressive was needed and Wilson had arrived in the nick of time. To few men in all history has fate been more kind.

Before his entrance into national affairs Wilson had attained remarkable success as a lecturer and an essayist. He could think straight, could concentrate on a single subject or course of action, and combined with these characteristics an almost unexcelled power to carry conviction through the medium of written or spoken words to the common man, in whom he had implicit faith. Although he was an authority on the principles of government, a field in which he had written many treatises, he had paid little attention to practical politics, had attended few caucuses, and had voted irregularly. Furthermore, his natural shyness had not established for him an extended acquaintance among the political leaders with whom, as president, he was called on to work. To his intimate friends, however, his personality had a magnetism that inspired confidence, and to all his manner was marked by extreme courtesy regardless of his fixity of opinion. As a result of his marked incapacity to make friends, he came into personal contact with few persons except on official business. Because of this fact he was greatly handicapped in his appointment of thousands of individuals to positions of responsibility. Furthermore, he labored under other disadvantages, since he either lacked the ability to receive advice or erred in the choice of those from whom he obtained it and since he antagonized by his obstinacy many men who agreed with his policies.

Wilson conceived the function of the chief executive as leadership. Indeed, as early as 1908 he had written, "We have grown more and more inclined . . . to look to the President as the unifying force in our complex system, the leader both of his party and of the nation." He regarded the president as peculiarly the representative of the whole people and as the head of the majority party, whose duty it was to see that the principles on which the election had been won were explicitly

carried out. On this thesis he had shaped his political conduct as governor of New Jersey, and he proposed to extend it to the presidential office. He felt that his position was not essentially different from that of a prime minister, on whom rests the responsibility not only for the enforcement of the laws and the administration of the government but also for active participation in the formulation of the legislative program. Hence he did not wait for Congress to act on its own initiative, as did President Taft; instead he boldly assumed command of his party in all its relations to the functions of government. Although admitting that he had "no means of compelling Congress except through public sentiment," he acted on the assumption (which he had stated while yet a professor) that "the President is at liberty, both in law and conscience, to be as big as he can; his capacity will set the limit." Thus, prompted by the belief that strong executive leadership would bring "unity, responsibility, and dispatch," he wielded the "big stick" as effectively as Theodore Roosevelt and Andrew Jackson, his two most vigorous predecessors.

### THE INAUGURATION OF THE NEW ADMINISTRATION

In spite of Wilson's intense fervor his advent into office was accompanied by many uncertainties that augured ill for the success of his administration. For one thing, he was a minority president, whose election had been made possible by factionalism in the ranks of the majority party, and for another, his own nomination had been based largely on the negative merit of availability rather than on preference. On the other hand, opportunity for real accomplishment was within the reach of the Democratic Congress and the Democratic president. Not only were the majorities in both Houses of Congress ample for every need, but the incoming president enjoyed the confidence and respect of the public in general. At the same time the country was prosperous, and the wide discussion of the main issues before the government during the preceding decade had prepared the way for the enactment of a program of really constructive legislation.

Immediately after the November elections Wilson began the formulation of his legislative and executive policies. Shortly before his inauguration he published under the title of *The New Freedom* a compilation of his campaign speeches embodying the political creed by means of which he proposed to adjust the "new social organization to the happiness and prosperity of the great body of citizens." He said in part: "We are just upon the threshold of a time when the systematic life of this country will be sustained or at least supplemented at every point by governmental activity. . . . We have great tasks before us and we must enter on them as befits men charged with the responsibility of shaping a new era. . . . America stands for opportunity, America stands for a free field and no favor, America stands for a government responsive to the interests of all." In his inaugural address he emphasized these lofty sentiments further. "Our duty," he asserted, "is to cleanse, to reconsider, to restore, to correct the evil without impairing the good, to purify and humanize every process of our common life without weakening or sentimentalizing it. . . . We have made up our minds to square every process of our national life again with the standards we so proudly set up at the beginning and have always carried at our hearts. Our work is a work of restoration." To attain this ideal he proposed a definite legislative program which included, among other things, a revision of the existing tariff, which "cuts us off from our proper part in the commerce of the world, violates the first principles of taxation, and makes the government a facile instrument in the hands of private interests"; a reform of the banking and currency system; the regulation of the activities of large business concerns so as to prevent the exploitation of the public; the enactment of legislation designed to promote the interests of agriculture and labor; and other progressive tenets. In conclusion he said: "This is not a day of triumph; it is a day of dedication. Here muster not the forces of party but the forces of humanity. Men's hearts wait upon us, men's lives hang in the balance, men's hopes call upon us to say what we will do. . . . I summon all honest men, all patriotic, all forward-looking men to my side. God helping me, I will not fail them if they will but counsel and sustain me."

The announcement of the new cabinet created some consternation; for, with the exception of William Jennings Bryan, named as Secretary of State out of consideration for the part he had taken in Wilson's nomination and election, the members were not widely known, and even Bryan was unfitted by training, experience, and temperament to assume the management of the complicated duties of his office. Two other appointments were made for political reasons: Albert S. Burleson, an influential supporter of Wilson in Texas, a friend of Wilson's intimate adviser, Colonel E. M. House, and Josephus Daniels, a North Carolina editor who had managed the publicity of the campaign. Three business men and two lawyers were included in the group. Only two members were men of experience in Federal administration: Franklin K. Lane of California and James C. McReynolds of Tennessee. For the first time in nearly one hundred years New England was not represented in the cabinet, nor was there any member from the states of the old Northwest. Five of the nine appointees were Southerners by birth.<sup>1</sup>

Shortly before his inauguration Wilson announced that he would maintain an "open door" at the White House and would turn away no visitor. Within a week, however, the swarm of office-seekers became such a burden that all his time was absorbed in interviewing applicants for office to the exclusion of more important business. Consequently he found it necessary to issue a public statement to the effect that, unless previously arranged, interviews concerning appointments would be discontinued until further notice. It developed later that instead of maintaining an "open door" President Wilson became probably less accessible than any of his predecessors. Furthermore, he had only a few confidential friends. The most important of these was Colonel E. M. House, the "man of mystery," who

<sup>1</sup> The cabinet consisted of William J. Bryan of Nebraska, Secretary of State; William G. McAdoo of New York, Secretary of the Treasury; Albert S. Burleson of Texas, Postmaster-General; Josephus Daniels of North Carolina, Secretary of the Navy; W. B. Wilson of Pennsylvania, Secretary of Labor; Lindley M. Garrison of New Jersey, Secretary of War; James C. McReynolds of Tennessee, Attorney-General; David F. Houston of Missouri, Secretary of Agriculture; Franklin K. Lane of California, Secretary of the Interior; and William C. Redfield of New York, Secretary of Commerce.

during Wilson's first administration and the first half of his second exerted more influence over the President in both domestic and foreign affairs than any man connected with the government. House was not only an idealist, in whom the President found a sympathetic companion, but he was a shrewd politician and a statesman of the first order. Inasmuch as he was without "an ax to grind" or "selfish motives," since he asked nothing for himself, he was trusted in close friendship.

### THE UNDERWOOD-SIMMONS TARIFF OF 1913

President Wilson summoned Congress to meet in extra session on April 7, 1913, to undertake a revision of the tariff on the lines laid down in the Democratic platform. This special session lasted until the opening of the next regular session (December 1). Thus the two in conjunction continued without an adjournment for five hundred and sixty-seven days, the longest single sitting in the history of the government. Furthermore, no other Congress enacted so much legislation of lasting and permanent value as this one. On assembling, the House re-elected Champ Clark as Speaker, and Oscar W. Underwood was again assigned to the post of chairman of the Committee on Ways and Means. As in the preceding Congress, practically all the important committee chairmanships went to Southerners under the seniority rule which had prevailed in that body for many years.

Reviving the practice which had been abandoned one hundred and twelve years before, the President appeared before a joint meeting of the two Houses to read his first message in person. In contrast to the diffuse and wearisome essays transmitted by Presidents Roosevelt and Taft, his was brief and direct, dealing with the single question of the tariff. As a result, the attention not only of Congress but of the entire country was directed to the subject in hand. Thus it became difficult for the special interests and the conservative congressmen either to side-step the issue or to give it a merely superficial consideration. In this tariff message the President said: "Consciously or unconsciously, we have built up a set of privileges and exemptions from com-

petition behind which it is easy for any, even the crudest, form of combination to organize a monopoly; until at last nothing is normal, nothing is obliged to stand the tests of efficiency and economy in our world of big business, but everything thrives by concerted arrangement. . . . We must abolish everything that bears even the semblance of privilege or of any kind of artificial advantage and put our business men and producers under the stimulation of a constant necessity to be efficient, economical, and enterprising, masters of competitive supremacy, better workers and merchants than any in the world. Aside from the duties laid upon articles which we do not, and probably cannot, produce, therefore, and the duties laid on luxuries merely for the sake of the revenue they yield, the object of the tariff duties henceforth laid must be effective competition, the whetting of American arts by contest with the arts of the rest of the world." American industry, he declared, had reached a stage where it did not need to fear competition with any nation of the world, and for that reason it had also passed the need for protection. His plea, therefore, was not necessarily for free trade but rather for free opportunity.

The new tariff bill, which had been in process of formation for nearly two years and which was based partly on the "popgun" measures which Taft had vetoed in 1911, was introduced in the House soon after organization had been completed. In presenting the measure Chairman Underwood stated that it had been the purpose of those responsible for it to discard the Republican theory that the tariff rates should equal the differences in cost between foreign and domestic producers plus a reasonable profit and to fix the duties primarily with the object of obtaining revenue without inflicting any injury on legitimate business. In the House the bill encountered little opposition and suffered few changes in the rates; but when it reached the Senate on May 8 so much hostility developed on the part of special interests, most of which maintained extensive lobbies in Washington, that for a time it looked as if the bill would suffer the same fate at the hands of the conservative Senate as every other tariff during the preceding half-century. The situation was altered, however, by the timely intervention of the Presi-

dent. From the first introduction of the bill in the House, Wilson had interested himself in every phase of its development; and late in May he publicly denounced the "extraordinary exertions" of an "insidious and numerous lobby" that was seeking to alter the measure to the advantage of manufacturers and producers. The result was a sweeping investigation by committees in both Houses, which disclosed the secret, unfair, and often criminal conduct of the lobbyists in behalf of their clients. At the same time public sentiment was so aroused that it became difficult for congressmen to be other than faithful to the platform pledges of the party. Thenceforth the work of revision moved forward steadily, till on October 3 the bill in its final form was approved and signed by the President.

This tariff provided for 958 reductions and 86 increases, mainly in the chemical schedule, and left 307 items unchanged. Though the bill remained essentially protective, the average duties were reduced from approximately 42 per cent to 30 per cent. In order to benefit the average man, on whom the increasing cost of living was becoming a great burden, the rates were reduced notably on food, clothing, and raw materials; those on cotton and woolen manufactures and pig iron were cut down by one half; and raw wool, iron ore, and steel rails were placed on the free list. The duty on sugar was lowered and provision was made for placing it on the free list, May 1, 1916. Before that date was reached, however, the need for revenue caused this last provision to be repealed. The duties on foreign shipbuilding materials were removed with the idea of encouraging American shipbuilding, and other concessions were made in the interest of the merchant marine. The minimum and maximum features of the Payne-Aldrich Bill were discontinued. Furthermore, the President was instructed to negotiate trade or reciprocity agreements with foreign nations, subject to ratification by Congress, the existing reciprocity arrangement with Cuba was continued, and absolute free trade was established with the Philippines. No provision was made for the continuance of the Tariff Board, but later the revenue act of September, 1916, established a bipartisan Tariff Commission of six members to be appointed by the president for terms of twelve



years. To offset the loss of revenue caused by the reduction of duties, an income tax was instituted, made possible by the recent ratification of the Sixteenth Amendment to the Constitution, which had been before the states for four years. Incomes of over \$3000 (\$4000 in the case of married men) were subjected to a tax of 1 per cent with the amount increased gradually to 6 per cent in the cases of higher incomes.

In operation the Underwood-Simmons tariff showed many defects, most of which were remedied gradually by special legislative acts. At the same time it encountered much opposition from those interests that considered themselves injured by it. On the whole, however, it was an honest fulfillment of the pledges of the party. Unfortunately, before any adequate test of its effects could be made, the World War, which began in less than a year after the passage of the act, so completely altered financial conditions that radical changes became imperative.

### THE FEDERAL RESERVE BANKING SYSTEM, 1913

On June 23, 1913, while the Underwood-Simmons tariff was pending in the United States Senate, President Wilson in a special message urged Congress to give the business interests of the country a banking and currency system "by means of which they can make use of the freedom of enterprise and of individual initiative soon to be obtained through the instrumentality of the tariff." "We must have a currency not rigid as now," he said, "but readily, elastically responsive to sound credit. . . . Our banking laws must mobilize reserves, must not permit the concentration anywhere in a few hands of the monetary resources of the country, or their use for speculative purposes in such volume as to hinder or impede or stand in the way of other more legitimate, more fruitful uses. And the control of the new system of banking must be vested in the Government itself, so that the banks may be the instruments, not the masters of business."

The question of the reform of the banking and currency system of the country was by no means new. For a decade and more it had received constant attention by the financiers them-

selves, and Congress on a number of occasions had earnestly sought a solution of the intricate problems involved in it. The Aldrich-Vreeland Act of 1908 (p. 485) was merely a temporary measure designed to remedy the most conspicuous of the defects in the existing financial system until a more comprehensive and complete reorganization based on the forthcoming report and recommendations of the National Monetary Commission created by the act could be made. However, when the commission had completed its work and presented its results to Congress, its chairman, Senator Aldrich, was so thoroughly discredited because of his conservative tendencies and his activities in behalf of high protective tariff duties that the Democrats, who came into control of the House of Representatives in 1911, forced a postponement of the question until after the close of Taft's administration.

Meanwhile the financial situation was steadily growing worse. The control of credit was subject to misuse and abuse, and there was no elasticity in the system to take care of seasonal expansion for the movement of crops and other emergencies. At the same time the regulation of banks and trust companies was so defective that they were permitted to operate on a strictly competitive basis regardless of the ordinary needs of business and commerce. The seriousness of the situation and the timeliness of the President's recommendations were emphasized by the report of the House Committee on Banking and Currency, of which A. P. Pujo of Louisiana was chairman, concerning an extended investigation of the money trust. This document included a mass of evidence which indicated that the banking corporations and the credit of the country were as effectively monopolized as those business establishments dealing with production and transportation, and that, through interlocking directorates, "the control of money and credit" was rapidly being concentrated in the hands of a few men who constituted a well-defined money trust. Furthermore, it charged that those within the organization were able to obtain special consideration in financing their respective business enterprises, while those without saw their petitions denied or so hedged about that they were placed at a great disadvantage.

To this matter the Senate and House Committees on Banking and Currency, of which Senator R. L. Owen of Oklahoma and Representative Carter Glass of Virginia were chairmen, respectively, had been giving special study for many months. They held hearings and sought the advice of such men as Paul M. Warburg, New York financier, and (after the installation of Wilson's administration) of Secretary of the Treasury W. G. McAdoo, President Wilson, and others. Consequently the system which they eventually evolved was based on long study by many different men and on the accumulation of a mass of expert information. The resultant measure, known as the Owen-Glass Federal Reserve Bill, was introduced in Congress on June 26, three days after the presidential message on the subject. After protracted and continuous consideration, it passed Congress and received the President's signature (December 23, 1913), and was properly applauded as the administration's second great legislative achievement.

Under the banking system thus inaugurated the country was divided into twelve districts, in each of which a Federal Reserve Bank was established. All the national banks were required, and state-incorporated banks and trust companies were urged, to become members of the system by subscribing to the capital stock of the Reserve Bank in their respective districts an amount equal to 6 per cent of their capital stock and surplus. The minimum capitalization of each Federal Reserve Bank is \$4,000,000, which is subscribed entirely by the member banks. The latter are required further to maintain with the Federal Reserve Banks a reserve of 3 per cent of their time deposits and from 7 to 13 per cent of their demand deposits. Each of these regional banks has a governing board of nine directors — three to represent the member banks, three the industrial and agricultural interests of the district, and three the Federal Reserve Board. This latter body, which has jurisdiction over the whole system, consists of eight members; namely, the Secretary of the Treasury, the Comptroller of the Currency, and six men appointed by the president.

The Federal Reserve Banks do no direct banking with individuals or business concerns, but are rather bankers' banks or

agents created to render certain services for the member banks. Their duties include the rediscount of commercial paper for the member banks, the purchase and sale of bills of exchange, the making of loans to member banks, the issuance of Federal Reserve notes, and other banking operations. In general, the system was designed to bring about a<sup>1</sup> stabilization of bank reserves, the mobilization of credit by means of which the banking strength of the country can be directed at any time to the places where it is most needed, and the regulation of the supply of currency to meet the expanding and contracting demands of business. To accomplish this latter object the Reserve Banks are authorized to issue Federal Reserve notes on the security of commercial paper, which serves as an index to the total volume of business and, through that, to the amount of currency that is needed. These notes are so regulated that they contract or expand readily with business fluctuations. Federal Reserve notes are issued also — like the national bank notes, which they are intended to supplant — on the deposit of government bonds. These notes are receivable for taxes, customs, and all public dues, inasmuch as they are obligations of the government and, as such, are redeemable in gold on demand.

Although the financial and commercial relations of the country were unexpectedly disturbed by the World War and by the general economic reorganization which followed, the Federal Reserve banking system has succeeded beyond all expectations. The regional banks have been operated substantially as a unit, interest rates have been harmonized, the difficulties of moving crops have been overcome, the demands for currency have been met, and the banking resources of the entire country have been unified as never before for utilization in financial emergencies.<sup>1</sup>

<sup>1</sup> At the end of the fiscal year of 1930 the total stock of money in the United States was \$8,306,594,074, or a per capita circulation of \$37.31. The gold reserve of the government held in the Treasury for the redemption of the United States notes was approximately \$153,000,000. The Federal Reserve Banks must maintain a gold reserve of at least 40 per cent of this amount, including the gold-redemption fund which must be deposited with the United States Treasury against Federal Reserve notes in actual circulation.

## THE CLAYTON ANTI-TRUST ACT OF 1914

The third feature of the Democratic program of economic reform in the presidential campaign of 1912 was the strengthening and supplementing of existing legislation dealing with trusts and monopolies. Though this question had been one of major consideration for more than thirty years, no legislation of special consequence had been enacted since the passage of the Sherman Anti-Trust Act of 1890, in spite of the fact that Presidents Roosevelt and Taft had presented a number of specific recommendations to Congress. Hence the Democrats, who for years had assailed the Republicans as friends and allies of the trusts, proposed in their platform of 1912 that the Sherman Act be so amended as to restore free competition and to break up the trusts completely. The ideas of President Wilson, however, more nearly coincided with the Progressive program than with that of his own party. The Progressives also wished to strengthen the anti-trust legislation, but favored doing so in such a way as to make it possible for useful and honest business combinations to exist by legal sanction with their rights and duties carefully defined and their operations supervised by a Federal commission similar to the Interstate Commerce Commission.

Accordingly on January 20, 1914, after the Underwood-Simmons tariff and the Owen-Glass Federal Reserve bills had been enacted into law, the President went before Congress with an appeal for "a common effort to square business methods with the public opinion and law." Without condemning big business as such, he emphasized the need for more stringent trust legislation as a guaranty of free competition. "American enterprise," he said, "is not free; the man with only a little capital is finding it harder to get into the field, more and more impossible to compete with the big fellow. Why? Because the laws of this country do not prevent the strong from crushing the weak." He declared that the Sherman Act was too indefinite, and that what was needed was a more careful statement of unlawful practices so that legitimate business might know its exact legal status and obtain protection from competition with those concerns which operated in violation of law. His concrete

proposals were embodied, after many months of discussion, in the Clayton Anti-Trust Act and the Federal Trade Commission Act, both of which passed Congress during the early fall of 1914 and received the approval of the President. In securing the passage of this legislation the President encountered the most determined opposition and displayed leadership of the highest type in keeping the measures constantly before the country and before Congress until he secured definite action.

The Clayton Act forbade any discrimination in price, either directly or indirectly, among purchasers of commodities whenever such discrimination lessened competition or tended to create monopoly; prohibited the manufacturer from selling his goods with the understanding that the purchaser would not handle the products of competitors; made illegal the acquisition by corporations of stock in other concerns when the effect interfered with free competition; prohibited interlocking directorates in establishments engaged in interstate commerce when such concerns were competitors and when the capital, surplus, and undivided profits aggregated more than \$1,000,000; made it unlawful for directors and officers of one bank to serve in a like capacity in others if the deposits, capital stock, surplus, and undivided profits of any of the institutions exceeded \$5,000,000; and specifically denied to industrial enterprises many other practices commonly followed. Of unusual significance were the provisions which declared expressly that labor unions, farmers' organizations, and other associations not conducted for profit were no longer subject to prosecution as conspiracies in restraint of trade. Furthermore, the act stated that injunctions were not to be granted in labor disputes except when they were necessary to prevent "irreparable injury to property," that those charged with contempt of court were entitled to a trial by jury except when the offense was committed in the presence of the court, and that to strike or to boycott or peacefully to persuade others to do so was not a violation of the law. Moreover, it sustained the time-honored contention of labor leaders that the labor of a human being is not a commodity or an article of commerce. All in all, this legislation more nearly met the demands of labor than any other act of Congress.

Though the Clayton Anti-Trust Act was the expression of an honest popular purpose to remedy the existing economic ills and to fulfill the Democratic campaign pledges, it was a "hodge-podge compounded of various details," many of which were not only unnecessary but positively detrimental to the interests of legitimate business. To remedy these defects, a number of alterations have been made. As a result the legislation dealing with trusts has become reasonably effective.

#### THE FEDERAL TRADE COMMISSION, 1914

As a corollary to the Clayton Anti-Trust Act, the Federal Trade Commission was established as "an indispensable institution of information and publicity, and a clearing house of facts, by which both the public mind and the managers of great business undertakings should be guided." The commission was nonpartisan in character and was composed of five members appointed by the president for terms of seven years. It took over the work of the old Bureau of Corporations, which was discontinued, and assumed the administration of all anti-trust legislation in much the same manner as the Interstate Commerce Commission handled the interstate carriers. In common with the Interstate Commerce Commission and the Federal Reserve Board, the new commission assumed an independent position distinct from that of any of the ten executive departments. Some of its duties were to investigate and assemble information concerning the organization and supervision of corporations other than banks and common carriers, whose supervision was otherwise provided for; to require detailed annual reports; to prevent the practice of unfair methods by persons or corporations subject to the anti-trust legislation; to investigate alleged violations of the law by corporations; and to recommend new legislation when directed to do so either by the president or by Congress. The jurisdiction of the commission was largely of an advisory character, and its decisions in most instances were subject to the review of the courts. The extent of its work is indicated by the facts that in 1921 there were 345,600 different corporations listed as subject to the corporation tax and that

between 1915 and 1924 it received 8632 requests for action. In general the work of the commission has been highly beneficial both to the corporations and to the courts.

#### OTHER LEGISLATION

While the major features of the Democratic program were before Congress, much legislation of minor importance was enacted into law. During the summer of 1913 the Newlands Act was passed establishing a board of mediation and conciliation for the adjustment of labor disputes. Within a few months this body was successful in averting a threatened strike on forty-two railroads in the eastern part of the United States. In March of the following year Congress authorized the president to construct, maintain, and operate railroads in Alaska not to exceed a thousand miles in length at an expense not greater than \$35,000,000, with the ostensible purpose of opening up the mineral and timber resources of the territory. The Smith-Lever Act of 1914 provided for coöperation in agricultural extension between the Federal government and the land-grant colleges by the appropriation of stated sums which were to be met dollar for dollar by the states. Two years later a similar measure created the Federal Board of Vocational Education to assist in like manner in vocational teaching and teacher-training and to make studies of the most satisfactory methods of instruction in agriculture, domestic science, and commerce.

On March 4, 1914, President Wilson in a special message to Congress asked that body to repeal a law passed two years previously fixing definite tolls for the Panama Canal, soon to be opened for traffic. One provision of this law, exempting American coastwise commerce from its requirements (p. 419), raised a vigorous protest from England on the ground that it was a violation of the Hay-Pauncefote treaty, a contention which both party platforms of 1912 as well as Taft's administration had flatly denied. Wilson took the position that the policy of exemption not only was unsound in an economic way but was in "plain contravention" of the original intent of the treaty. "We are too big, too powerful, too self-respecting a



nation," he declared, to assume an arbitrary position in the matter. Next he urged Congress, "in support of the foreign policy of the Administration," to repeal the act, which might prove exceedingly embarrassing. It was disclosed later that he had special reference to the English attitude toward his Mexican policy. The commanding strength of the President is shown by the fact that in these and in other requests he carried his point in spite of the hostility of many of the most influential men in the country and of such congressional leaders in his own party as Senator O'Gorman, Representative Oscar W. Underwood, and Speaker Champ Clark.

#### THE CONGRESSIONAL ELECTIONS OF 1914

The success of Wilson in securing the enactment of such a mass of legislation in the short space of twenty months definitely established his leadership in his party and gave him prestige abroad. Furthermore, the progressive character of his administration and of the legislation dealing with domestic questions won for him a large following among the former adherents of the Progressive party, which began to show signs of an early collapse. Nevertheless, as the time for the congressional elections of 1914 approached, a reaction of considerable strength set in against the Democrats. This, no doubt, was a natural result of the party's extensive legislative program, every feature of which furnished angles for criticism and controversy, combined with the fact that the opening of the European war three months before the election caused the thorough disorganization of business in general.

Although the President took little active part in the election campaign, in a letter to Representative Underwood on August 18, which was intended for publication, he urged the reelection of those members of Congress who had "sustained and advanced the plans of the party" on the ground that "the American people have been served by this Congress as they have never been served before." In the campaign publications the "record of achievements" was emphasized as well as the neutral position of the United States with reference to the European war,

which was stressed by posters and campaign documents reading "War in the East. Peace in the West. Thank God for Wilson!" The November election showed large gains for the regular Republican organization and substantial losses for the Progressives, whose total vote declined from 4,126,020 cast for Roosevelt in 1912 to 1,800,000 in 1914. The Democrats, however, retained control of Congress, dominating the House of Representatives by 29 votes over the combined Republican and Progressive strength and the Senate by 14.

### FEDERAL AID TO AGRICULTURE

Although much publicity has been given to the question of governmental assistance to business through the medium of a protective tariff and other agencies, the American farmer also has not entirely lacked aid from either the state or the national government. At times, owing to his isolation and extreme individualism, he has been at a disadvantage in his dealings with other economic groups. Nevertheless the importance of agriculture as the foundation on which the economic structure of the country is based has always been recognized, and the farmer at all times has exerted a potent influence on legislation.<sup>1</sup> The evidences of this are to be found in the development of agricultural education and the scientific study of agricultural problems. The activities of the Federal Department of Agriculture have been gradually extended into many fields, with bureaus in charge of each. Furthermore, through financial appropriations and protective legislation the states have rendered much aid to the farmer, in a few instances granting subsidies to individuals for the production of certain specific crops. In the case

<sup>1</sup> The relative position of agriculture as indicated by the census of 1920, which placed the value of agricultural products at \$21,000,000,000 as compared with \$62,000,000,000 for those of manufacturing, is misleading because half the manufacturing industries (for example, slaughtering and meat packing, milling, the production of cotton and woollen cloth, and boots and shoes, as well as many others) are dependent on agriculture. Farm products are also an important item in railroad freights. In spite of the fact that the percentage of the population gainfully employed as farmers declined from 47 to 26 per cent from 1870 to 1920, the growing self-consciousness of those engaged in agriculture tended to increase their political activities and, with that, their political influence.

of North Dakota, where the Nonpartisan League, founded in 1915, was successful later in gaining control of the state government, a definite policy of public ownership of grain elevators, flour mills, and packing houses was established; and the state entered the business of operating hail insurance and rural-credit banks also.<sup>1</sup>

Regardless of the farmer's success in obtaining legislation in his interest, he has always raised his voice against the financial system, which he looked upon as advantageous to the capitalist and oppressive to himself. This was especially true during the post-Civil-War period, when the influence of big business over the government steadily increased. The protests of the agricultural West expressed in the Granger, Farmers' Alliance, and Populist movements, as well as in its attitude toward the protection afforded it through the various tariff measures, have been discussed in previous chapters. In each of these instances an ephemeral attempt was made to satisfy the demands of the farmer; but the results were always so inconsequential and disappointing from his point of view that they were followed by the inevitable recurrence of the movement of protest.

The accession of the Democrats to power in March, 1913, came in the midst of one of these periods of depression in the agricultural states of the West. This time an honest effort was made to remedy their grievances. The Federal Reserve system inaugurated in 1913 was intended to give particular aid to the agricultural class by affording improved facilities for the expansion of the currency and the rapid transfer of funds from one section of the country to another to meet the demands of crops, by permitting the national banks to lend money on farm mortgages, and by extending the regular discount period at the Federal Reserve Banks in the case of agricultural paper from the usual period of three months to six months. Nevertheless the farmer was still placed at a financial disadvantage in comparison with the industrial and commercial classes. Consequently in July, 1916, through the Federal Farm Loan Act, the credit facilities which the industrialist enjoyed under the

<sup>1</sup> The failure of forty-four of the state banks in 1920-1921, owing to the post-war financial depression, led to the abandonment of most of these undertakings.

existing banking system were extended for the first time to the farmer. The act provided for the establishment of twelve Federal Farm Loan Banks, each of which was to have a minimum capitalization of \$750,000. They were to make loans to farmers for the usual agricultural purposes up to 50 per cent of the value of their lands and 20 per cent of the value of permanent improvements. These banks obtained their money chiefly from the sale of bonds secured by mortgages, which in turn were deposited as collateral for a new issue of bonds, which were sold to buy more mortgages. The process might be repeated until the amount of the outstanding bonds was equal to twenty times the capital of the Farm Loan Bank. The borrower on his part liquidated his debt in annual payments over a long period of years.

It soon developed, however, that many of the features of this act were not entirely satisfactory. Consequently it was supplemented by the Agricultural Credits Act of March 4, 1923. This measure was intended to aid the agricultural and live-stock industries of the country through the formation of twelve Federal Intermediate Credit Banks to be associated with the Federal Farm Loan Banks. These two acts made it possible for the farmer to obtain loans at reasonable rates of interest for the period that he wanted them and eliminated many of the financial handicaps under which he had labored.

Another act of inestimable value to the farmer, passed by the Democratic Congress in 1916, was the Federal Aid to Good Roads Bill, which distributed Federal funds among the states, dollar for dollar contributed by the states, on the basis of population, area, and the mileage of postal routes. Under this act 89,572 miles of highways, involving a cost of close to \$1,702,000,000, had been completed or were in process of construction by May, 1931. On a number of occasions the funds made available under the law have been augmented by special appropriations, as in 1919, when \$200,000,000 were set aside for expenditure during a period of three years. In the early spring of 1930 Congress increased the regular annual allotment of money under the act from \$75,000,000 to \$125,000,000.

## LABOR LEGISLATION: THE ADAMSON LAW OF 1916

The administration of Woodrow Wilson was noteworthy also because of the legislation enacted in the interest of organized labor. Not only did the platform of the Democratic party condemn the use of the injunction in disputes between labor and capital, but it was so favorable to labor's other demands that the president of the American Federation of Labor, Samuel Gompers, urged the two million and more members of that organization to support the Democratic ticket in the campaigns of both 1908 and 1912. The rising cost of living throughout the country since the opening of the twentieth century had made labor restive, and the recurrence of strikes for wage increases became more and more widespread. The outbreak of the World War, however, by stopping the annual influx of cheap labor, which had averaged a million a year for a decade, and by increasing the demand for American goods for Allied consumption, placed labor in a most advantageous position, with the result that it attained victories unusual in preceding years. It succeeded in writing into the Clayton Anti-Trust Act of 1914 a clause which prohibited, under certain stated conditions (p. 533), the use of restraining injunctions in cases between employers and employees and expressly exempted labor unions from the operation of the anti-trust laws. The following year it forced through Congress the Seamen's Act, which revolutionized the conditions of labor in the merchant marine and which in its scope went further than any previous legislation of its kind. During his second administration Wilson induced Congress to pass a child-labor law prohibiting the shipment in interstate commerce of goods any part of which was made by children under fourteen years old; but this legislation was soon set aside as unconstitutional by the Supreme Court.

The act which aroused the greatest controversy, however, overshadowing all other bills for a time, was the Adamson Eight-Hour law, passed in September, 1916. This measure applied only to the four great brotherhoods of railway employees, embracing some 325,000 of the 1,700,000 railway laborers. Their demands, which had been pressed on the operators for a num-

ber of years, included the reduction of the hours of labor from ten to eight a day with the same pay and, furthermore, the provision for an hour and a half's pay for every hour's work required above the standard of eight. Since these demands involved an extra wage expense of \$100,000,000 annually, which could not be met except by increased rates, and since they concerned only a relatively small percentage of the railroad employees, the operators refused to accede to them, expressing their willingness, however, to submit the question to arbitration. After the rejection of the proposal to arbitrate by some 90 per cent of the members of the brotherhoods and the approval of their position by the American Federation of Labor, the officers of the four labor organizations ordered a nation-wide strike to begin September 4, 1916. In view of the fact that this would tie up every railroad from Maine to California and cause an insufferable paralysis of industry and trade not only to the American public but to the Allied Powers in Europe, who were dependent on the American market for munitions and food, President Wilson made an effort to bring about a reconciliation; but the labor leaders met his overtures with a flat refusal. The uncompromising attitude of labor in the face of a national crisis made its demands appear in the light of "the most stupendous hold-up ever known in the history of the country."

Having reached the end of his tether in his attempt to bring about an amicable adjustment of the questions at issue, the President on August 29 appeared before Congress with the request that legislation satisfying the major demands of the trainmen be passed. After emphasizing the tragic consequences which the proposed strike would entail for the country, he arraigned the operators severely for their unwillingness to grant the eight-hour day and supported in general the contention of the brotherhoods. Chairman Adamson of the House Committee on Interstate Commerce immediately introduced a bill embodying the President's recommendations. This passed both Houses of Congress and received the presidential signature on the day preceding the beginning of the contemplated strike, exactly one hundred hours after the delivery of Wilson's message on the subject. No other measure had ever passed Congress under such

duress. The event is especially significant in view of the small number of men who thus forced Congress to bow to their wishes and because of the fact that the Adamson Law was simply a measure of intervention applying to a single dispute. Neither the interests of the public nor those of the million or more holders of railroad stocks and bonds appear to have been given any special thought. Nevertheless the constitutionality of the law, which the operators contested, was sustained by the Supreme Court by a vote of 5 to 4. In its decision the Court stated that the public interests beget a public right, that the railway operators and employees were engaged in a business vested with a public interest, that Congress had the right in interstate commerce to arbitrate disputes compulsorily by fixing wages and conditions of labor, and that it possessed full authority to take the measures necessary to keep open the channels of interstate trade.

## CHAPTER XXIV

### ATTITUDE OF WILSON'S ADMINISTRATION TOWARD AMERICAN COLONIES AND DEPENDENCIES

#### STATUS OF FOREIGN AFFAIRS

While Congress was busily engaged with the enactment of this large legislative program dealing with domestic problems, the foreign affairs of the country were assuming increasing importance. Indeed, it is doubtful if any single administration was ever called on to face so many and such a variety of questions that seriously threatened the nation's peace. As has been seen, relations with Japan were strained almost to the breaking point over the land legislation enacted by California (pp. 433 f.), Colombia remained unreconciled over the "rape of Panama" (p. 418), and the outbreak of the World War in August, 1914, created a long list of problems that fairly bristled with possibilities for trouble. Added to these difficulties were several unfortunate incidents that brought the United States and Mexico to the verge of war. At the same time the relationship between the United States and certain of her colonies and dependencies had become so unsatisfactory that a rather drastic reorganization of their governments was becoming imperative. Equally important was the growing necessity for a clearer definition of the attitude of the United States toward the independent nations bordering on the Caribbean Sea and the Gulf of Mexico.

#### REORGANIZATION OF THE GOVERNMENT OF THE PHILIPPINE ISLANDS

In America the status of the Philippines has been a question for political controversy since their annexation in 1898.<sup>1</sup> Although both major parties have professed their intention of

<sup>1</sup> For a discussion of the annexation of the Islands see pages 400-404.



according independence to the Filipinos, they have differed as to when this act should be consummated. Furthermore, both have favored the adoption of measures designed to prepare the Islands for independence, such as the establishment of a general public educational system, the improvement of means of communication, the development of a feeling of unity and nationality, and the extension to the natives of an increasing share in the government. The Democrats, however, have had more confidence than the Republicans in the ability of the Filipinos to govern themselves and therefore have been ready either to grant immediate independence or to set a date at which American authority should be terminated. Hence when they came into control of the government in 1913 they began making plans to fulfill their campaign pledges. The result was the passage in 1916 of the Jones Act, the preamble to which said, "It is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein." By this measure an elective upper chamber was established and the share of the natives in the government was enlarged in other ways. On the return of the Republicans to power in 1921, however, a commission was dispatched to the Islands to determine whether or not the Filipinos were ready for independence, in view of the tentative promise that had been made by Democratic leaders during Wilson's administration to withdraw American authority in 1921. Not only this commission but a similar one appointed by President Coolidge four years later made adverse reports. Meanwhile the Nationalist party, which has been in control of the Assembly since its organization and which favors complete independence, has been steadily growing in strength with the passing of time. On a number of occasions delegations have been sent to Washington to plead their cause, but they have accomplished little other than the fostering of American sentiment in their behalf.

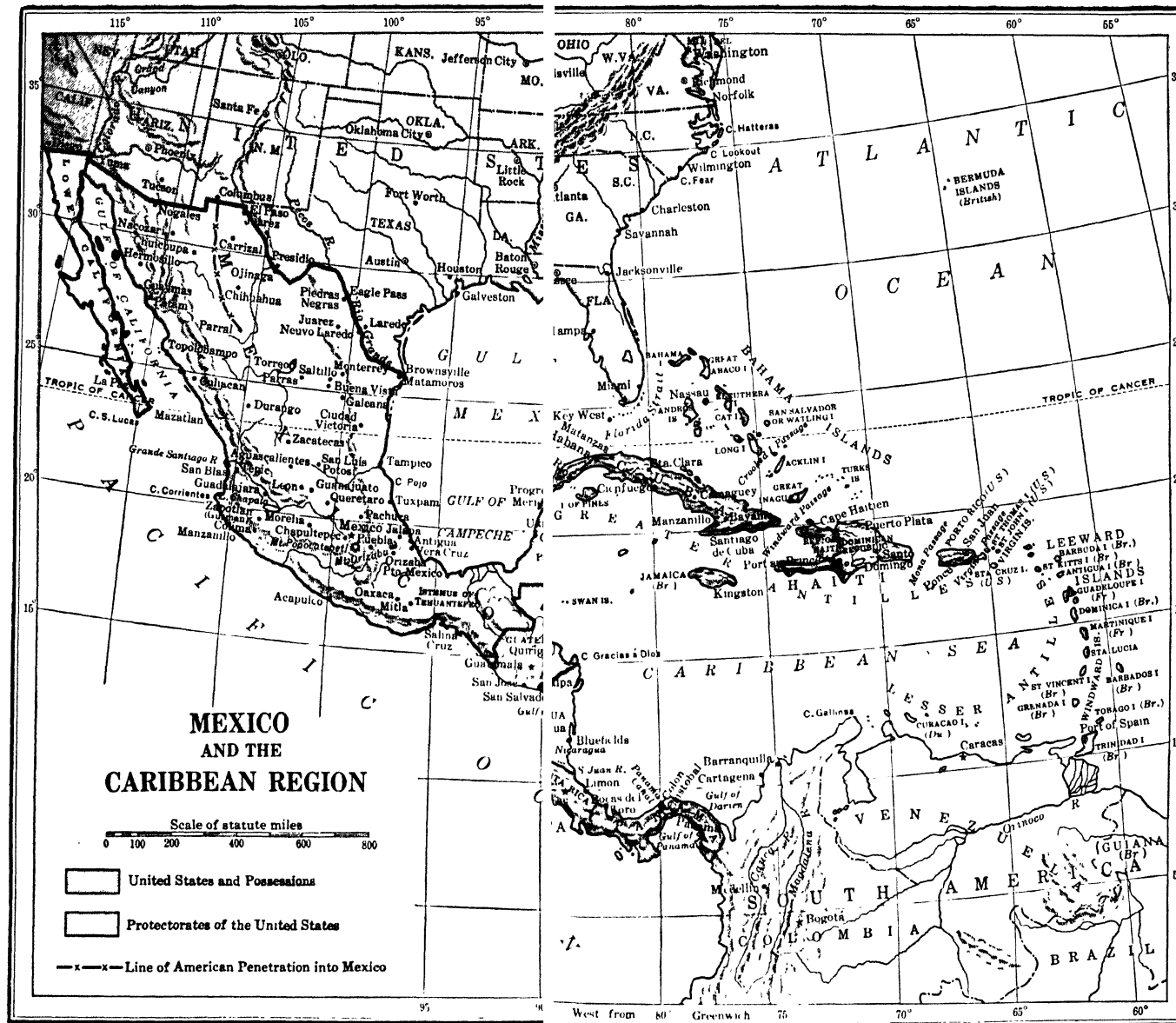
The determination of the future status of the Philippine Islands is by no means a simple matter. Japan, China, and the European powers that have interests in the Pacific are all concerned in the decision of the United States. Not only would

the granting of independence to the Filipinos stimulate unrest in the colonies belonging to other powers in the Far East, but, in case of the failure of the people of the archipelago to maintain a stable government, serious international complications would inevitably follow. Among the proposed solutions of the problem are the following: the granting of complete and unrestrained independence; the continuance indefinitely of American control; the establishment of a protectorate over the Philippines similar to that now exercised over Cuba; the surrender of the Islands to the League of Nations with the understanding that it is to assume a protectorate over them; and the neutralization of the Islands by treaties between the United States and the powers that have extensive interests in the Pacific. There is little hope, however, that the United States will retire from the archipelago for many years; and when she does she will probably retain one or more naval bases and supply stations.

#### ECONOMIC RELATIONS BETWEEN THE UNITED STATES AND THE PHILIPPINES

Despite the recognized achievements of the United States in the Philippines, the economic conditions are unsatisfactory. Transportation facilities are inadequate, and because of the uncertainty of political conditions, particularly of the future relations with the United States, little capital has been attracted to the Islands — in 1929 only \$15,725,000. Furthermore, the fluctuating policy of the United States on the tariff has discouraged the development of those industries which offer the greatest opportunity for advancement. The Philippine Act of 1902 permitted exports to enter the United States at a 25 per cent reduction from the Dingley rates, and the Payne-Aldrich Act of 1909 admitted all Philippine products free of duty except sugar, cigars, and tobacco above a specified amount. Finally, the Underwood tariff of 1913 established complete free trade.

Regardless of these economic uncertainties, however, the well-being of the mass of the people in the Islands has been materially improved and the standard of living has been raised substantially. In 1929 the exports of the Islands were valued at \$169,119,000,





three fourths of which were sent to the United States, and the imports amounted to \$146,326,000, of which 60 per cent came from the United States. By far the greatest achievement of the United States in the Philippines has been the establishment of a system of primary, secondary, and collegiate education. In 1928 there were 1,111,509 pupils enrolled in the public schools and 84,813 in private schools, while the University of the Philippines registered 5138 students with collegiate standing and 1940 in the subcollegiate grade.<sup>1</sup>

### THE EXTENSION OF CITIZENSHIP TO THE PORTO RICANS

Although the Foraker Act (pp. 398-402) gave to the inhabitants of Porto Rico a greater degree of participation in their government than they had enjoyed under Spanish domination, and although their economic and general well-being had been materially improved under American tutelage, there was a pronounced and growing dissatisfaction not only with the form of government itself but with the administration of it as well. Since the Porto Ricans had been citizens of Spain before American annexation, they resented the inferior position to which they had been assigned by Congress as merely citizens of a dependency of the country. Furthermore, they objected to the extension of the American spoils system to their island, as a result of which many of their appointed officers were not only ignorant of the Spanish language but unfamiliar with the economic and social conditions of the country. Even more serious than these grievances was the opposition to the large powers held by the governor and the appointive character of the executive council, which, as has been seen, constituted the upper house of the legislative department.

After years of agitation by the Porto Ricans and several investigations, the chief defects of the Foraker Act were remedied in the Jones Act, passed in 1916 and put into effect the following year. This measure extended American citizenship collectively to the inhabitants of the island, reorganized the executive council, withdrawing from it all legislative duties, and created

<sup>1</sup> The census of 1930 gave the population of the Philippines as 12,604,000.



St. Thomas has the finest harbor in the West Indies. In 1867 Secretary Seward secured a treaty with Denmark providing for the sale of the islands to the United States, but unfortunately the Senate failed to ratify it. Another attempt to purchase was made in 1902 by President Roosevelt, when the treaty providing for the cession of the group to the United States was signed at Washington and approved by the Senate; but this time the Danish Rigsdag withheld its assent. Roosevelt's interest in the islands was prompted by a realization of their strategic importance and by his desire to guard the approaches to the Canal. During the World War the possibility of their falling into the hands of some European power, especially Germany, caused overtures for their cession to the United States to be renewed with favorable results.

Since their acquisition the twenty-six thousand inhabitants, 90 per cent of whom are of Negro or mixed blood, have been governed by the Navy Department; and thus far the Virgin Islands have been "stateless," since Congress has taken no measures to define their status. Unfortunately the natives, who had no part in the transfer of their sovereignty to the United States, have not been happy under their new master and have sent repeated requests to Congress for a greater share in their government. Furthermore, largely because of the enforcement of prohibition in the islands, the liquor business, one of the leading industries for three centuries, has been destroyed, and with this the prosperity of the country. There has been a consequent decline of more than 4000 in the population (1931).

### THE HAITIAN PROTECTORATE

In spite of the criticism that President Roosevelt's enforcement of the so-called Roosevelt Corollary of the Monroe Doctrine in the revolution-infected republics of the Caribbean area, which has been described in Chapter XVIII, encountered in the United States and Latin America, it has not only remained in operation in all the countries to which he applied it, but the general principle has been enlarged and extended in one form or another to other nations in that region. Indeed, neither Repub-

licans nor Democrats can claim an exclusive right to it. Although it originated during Roosevelt's administration, every president from that day forward and every Secretary of State from Hay to Stimson, whatever his party and whatever his previous pronouncements on the relations with Latin America, has acted in conformity to the basic principles of the policy when confronted with the problems and charged with the responsibility of solving one of the perennial Caribbean tangles. In fact, Bryan, the outstanding apostle of anti-imperialism, during his term as Secretary of State in Wilson's administration was more aggressive than any of his predecessors.

As it was, the Haitian treaty as finally ratified by the Senate (February 28, 1916) carried the new Caribbean policies of the United States to the furthest limits short of actual annexation. The conditions that brought about American intervention were not dissimilar to those that had prevailed in Santo Domingo before 1905. Since winning her independence in 1804, Haiti had been the most turbulent of the Caribbean republics, for reasons which are not far to seek. The population, 90 per cent of which is of pure African stock and 9 per cent of which is of mixed African and Caucasian blood, was wholly devoid of experience in self-government at the time of the establishment of independence. Furthermore, since the majority of the people had been slaves before their liberation, they had advanced in the scale of civilization little beyond the stage of barbarism. As a matter of fact, until 1915 only one of its twenty-five chief executives had the distinction of living out his entire term, retiring, and dying a natural death in his own country. The succession of revolutions, there as elsewhere in the Caribbean, had brought that unfortunate republic by 1915 to a state of bankruptcy and the threat of foreign intervention in behalf of creditors to whom the control of customs and other concessions had been pledged as surety for loans. As a matter of fact, American, British, German, and French troops had been landed in 1914 to protect their respective nationals and their property in the island. The following year the murder of the president and nearly two hundred prominent inhabitants of the republic in a most barbarous manner and the violation of the French legation



brought matters to a crisis. American marines were quickly landed, and the United States announced that she would assume responsibility for the protection of the interests and lives of both Americans and foreigners.

Finally, Secretary of State Bryan negotiated a treaty which, when approved by the Senate the following year, established a virtual protectorate over the republic. This agreement provided for a receivership of Haitian customs under the control of the United States; the appointment, on the nomination of the president of the United States, of a financial adviser, who should assist in the settlement of the foreign debt and direct all expenditures (two offices which have since been combined in one); and the creation of a native constabulary under American officers. Haiti on her part agreed not to cede any territory to a foreign power. The treaty was to be in force for ten years subject to renewal for an additional period of ten years, provided either party felt that the objects of the agreement had not been accomplished. Accordingly at the request of the United States the treaty was extended in due time to 1936.

Though the system of control instituted by the United States has not been popular in Haiti and has aroused bitter criticism throughout Latin America and in the United States as well, many creditable results have been attained. Order has been established, the government has been stabilized, the debt has been greatly reduced, the revenues have been made adequate to meet the needs of the government, and many public improvements have been accomplished, such as the building of roads, the promotion of education, and the establishment of much-needed sanitary regulations. Incidentally, the danger of foreign intervention has been removed.<sup>1</sup>

### THE DOMINICAN PROTECTORATE

Coincident with the events which culminated in the establishment of the American protectorate over the republic of Haiti were various disturbances in the neighboring country of Santo Domingo, over which, as has been seen, a receivership of customs

<sup>1</sup> Haiti has an area of approximately 10,204 square miles and had a population in 1928 of 2,300,000.

had been appointed by President Roosevelt in 1905 and continued by treaty two years later. Regardless of the notable accomplishments of this arrangement, the natives resented the surrender of the control of their finances to representatives of the United States. Furthermore, age-long feuds soon found expression in a succession of revolutions against the constituted authorities, which in turn led to the landing of marines by the United States and her assumption of more and more authority over the political affairs of the country. Finally, in 1916, when the Dominican government refused to approve a new treaty giving the United States the right to intervene for the maintenance of order and increased authority over the collection of both internal and external taxes, America established military rule. Though the military commanders did much to improve economic conditions in the republic, certain of their arbitrary acts aroused the hostility of the Dominicans and at the same time attracted the sympathy of the anti-imperialists in America and evoked the bitterest criticism from all the Latin-American nations. In 1924, however, after a new convention had been signed by the Dominican government, American military authority was withdrawn. According to the terms of this agreement the receivership was indefinitely continued and the authority of the United States over the finances of the country was clearly defined. As in the case of the convention of 1907, the United States was accorded the right to "give to the General Receiver and his assistants such protection as it may find to be requisite for the performance of their duties."<sup>1</sup>

### THE UNITED STATES AND CENTRAL AMERICA

Meanwhile the Caribbean policy as applied to Venezuela by President Roosevelt and to the island republics of the West Indies by him and his successors was being extended gradually

<sup>1</sup> An advisory mission of American financial experts headed by former Vice President Charles G. Dawes as private citizen, at the direct invitation of the Dominican president, made an intensive examination of the finances in April, 1929, and reported a budget law, a system of accounting, a program of public improvements, and a modified law of finance. The Dominican Republic had a total area of 19,325 square miles and a population of 1,022,000 in 1928.

to the other countries bordering the Caribbean Sea and the Gulf of Mexico. Under the provisions of the treaty of 1903 with Panama, which gave the United States the right to "intervene in any part of the Republic . . . to reestablish public peace and constitutional order in the event of their being disturbed," the United States has supervised two elections in that country and has landed marines on more than one occasion to prevent disorder. Though the definiteness of the powers granted to the United States by the treaty lessened the possibility of serious disagreement, enough friction arose to make both countries recognize the need for a revision of the original understanding. Accordingly in 1926 a new treaty was drawn up, by which Panama "agrees to cooperate in all possible ways with the United States in the protection and defense of the Panama Canal" . . . and "will consider herself in a state of war in case of any war in which the United States should be a belligerent, and in order to render more effective the defense of the Canal will" join the United States whenever she declares war and give to her the "direction and control of all military operations." Furthermore, the treaty stipulated that in time of peace the armed forces of the United States were to have free transit throughout the republic for maneuvers or other military purposes. This agreement was duly approved by the Senate of the United States; but the National Assembly of Panama withheld its assent, apparently objecting less to the proposed military control than to provisions extending American jurisdiction over part of the city of Colon.

Because of the proximity to the Panama Canal of the five Central American republics, with the chaotic political and economic conditions that have prevailed in them since the establishment of their independence in 1821, the American government has intervened on several occasions in the internal affairs of these countries.<sup>1</sup> In some instances the United States has exerted pressure to prevent the outbreak of wars, and in others she has been instrumental in terminating them. Of even greater significance has been her influence in discouraging the chronic

<sup>1</sup> Political and economic conditions in Costa Rica have been stable enough to give the United States little occasion for anxiety.

tendency toward revolution and internal strife by refusing to recognize a government coming into power by a coup d'état and by attempting to get the republics themselves to follow her example. As a matter of fact, since the powers of Europe have been inclined to respect the wishes of the United States in her relations with the Caribbean countries, it is difficult and in most cases impossible for any revolutionary government to survive for any length of time without the official recognition of the government at Washington. This fact and the actual supervision of elections in a few cases, therefore, have been stabilizing forces in the region, although they have not always been used with discretion. In the Central American republics, as in Venezuela, Santo Domingo, and Haiti, the United States has maintained a close watch over the finances of the individual countries, for several of which she has been instrumental at different times in obtaining or in discouraging loans, and in others of which she has established financial receiverships similar to that of 1905 in Santo Domingo. Not infrequently marines have been landed to maintain order, to protect the property and lives of Americans and foreigners, and to force the acceptance of the wishes of the United States in regard to internal or external policies.

The close relations of the United States and Nicaragua because of the potential canal through the latter's territory have given the United States more anxiety over her domestic and international relationships than over those of the other Central American republics. Not only has Nicaragua's government been consistently weak, but the country has been such a stamping ground for revolutionists that it has been a disturbing factor in Central American conditions generally. Consequently events there have caused the United States to intervene in its affairs more frequently and for longer periods than elsewhere. Especially has this been true since 1912, when the intensity of internal strife led to the stationing of American marines at the capital, who were not recalled until 1925. At the same time an American collector-general of customs appointed by Nicaragua with the approval of the Secretary of State assumed control of the government's revenues.

In 1916, after several years of negotiations, a treaty was completed and ratified by the two governments defining their relationships. Among other things, it provided that (1) the government of Nicaragua grants in perpetuity to the United States the right to construct an interoceanic canal through her territory; (2) to protect her interests Nicaragua leases to the United States for ninety-nine years the Great Corn and Little Corn islands and gives her the right to establish a naval base on the territory bordering on the Gulf of Fonseca; (3) in consideration of these stipulations the United States agrees to pay the sum of \$3,000,000 in gold. Furthermore, the following provision to meet the objections of other Central American countries with rights on the Gulf of Fonseca was inserted by the United States as a condition of its ratification: "Whereas Costa Rica, Salvador, and Honduras have protested against the ratification of the said convention, in the fear or belief that said convention might in some respects impair existing rights of said States; therefore it is declared by the Senate . . . that nothing in said convention is intended to affect any existing right of any of the said States." This latter action, however, did not allay the fears of the protesting states.

Although stable conditions were maintained in the republic for a time after this, revolutionary movements reappeared as soon as the marines were withdrawn in 1925. The following year, therefore, a large contingent of marines was sent again to the capital, together with a special mission headed by Henry L. Stimson. Mr. Stimson succeeded in inducing the rival leaders to suspend hostilities and to abide by the results of an election to be held in 1928 under American supervision. Before the election occurred, however, the United States was forced to send several thousand additional troops to the country to suppress certain revolutionists who refused to submit to the agreement. In due time the election was held under peaceful conditions throughout the republic, and both parties acquiesced in the result. Meanwhile a nonpartisan constabulary under American officers was organized, which is functioning with some measure of success.

## THE UNITED STATES AND MEXICO

Although larger both in area and in population than any other republic bordering the Caribbean and the Gulf of Mexico, Mexico has a history not dissimilar to those of the countries in that region to which the Caribbean policy of the United States has been applied in one form or another. With the exception of the period from 1876 to 1911, when Porfirio Diaz held the Mexican presidency, revolution has followed revolution in rapid succession, with consequent loss of life and property and the creation of serious international problems. There, as elsewhere in the Central American area, no government could long endure against the hostility of the United States. Knowing this, the United States on several occasions has withheld recognition of the governments in Mexico that attained office as the result of military revolutions, and on others has shipped arms and munitions to the constitutional government, at the same time debarring the revolutionists from purchasing them in the United States even from private manufacturers. Furthermore, economic pressure exerted through the large banking houses of the United States from which the revolutionary leaders sought loans has frequently had a stabilizing effect.

For a third of a century preceding the fall of Diaz in 1911 the relations between the two countries were close and in the main friendly. Many agreements and conventions were negotiated, and in 1908 a general treaty of arbitration was signed. Especially after 1900, encouraged by the conditions of peace which prevailed in the country and by the liberal concessions offered to foreign capitalists by Diaz, who regarded this as the only means of developing the wonderful resources of the nation, American economic penetration moved forward with surprising rapidity. Though a vast amount of European capital also was attracted to the country, that from the United States was far greater in volume. In 1911 it was estimated that 75 per cent of Mexico's sixteen thousand miles of railroads, 78 per cent of her mines, 72 per cent of her smelters, 58 per cent of her oil, 68 per cent of her rubber business, and millions of acres of her most valuable farming and grazing lands were owned by Ameri-

can citizens, some forty thousand of whom were nominal residents of the country for financial reasons.

Regardless of the outward appearances of prosperity and domestic peace at that time, however, conditions in the country were in a deplorable state. The development of the resources of the nation had not changed materially the well-being of the mass of the people, who remained wretchedly poor, densely ignorant, and illiterate. In fact, practically nothing had been done to raise the standard of living of the fifteen million inhabitants, a great many of whom lived in a state of semi-serfdom. Furthermore, under Diaz's long régime the government had maintained itself as a pure autocracy in spite of the provisions of the democratic constitution under which it operated, and graft, corruption, and favoritism were visible everywhere.

As a result rebellion against the existing political system and the exploitation of the wealth of the country by foreigners grew slowly, and a genuine national movement with "Mexico for the Mexicans" as a slogan found increasing support among the intelligent, propertied natives. In 1910 these forces, under the leadership of the wealthy idealist Francisco Madero, raised the standard of revolt and in the following year accomplished the exile of the aged president and the establishment of a popular government in the country. President Taft, who had watched these developments with interest, gave full recognition to the new order immediately after its ratification by the people in an election. Because of Madero's inability, however, to carry out the elaborate program of reform on which his ascendancy to power had been based and to stamp out the continued graft and wholesale corruption among minor officials, his following soon slipped from him. Consequently in February, 1913, his government was overthrown and he himself was murdered by the successful revolutionist, General Victoriano Huerta, a ruthless soldier of fortune.

Despite the fact that twenty-six European nations recognized Huerta's de facto government, Wilson, who was inaugurated president the month following Huerta's accession to power, withheld definite action in the matter. On March 11, in a public announcement of his Latin-American policy, he stated that

it would be the chief object of his administration "to cultivate the friendship and deserve the confidence of our sister republics of Central and South America, and to promote in every proper and honorable way the interests which are common to the people of the two continents." He added, however, that this was possible "only when supported at every turn by the orderly processes of just government based on law, not upon arbitrary or irregular force. . . . We can have no sympathy with those who seek to seize the power of government to advance their own political interest or ambition." "We dare not," he continued, "turn from the principle that morality and not expediency is the thing that is to guide us." Thus he set aside the usual practice of basing recognition of a new government on its strength and probable permanence and substituted for it the principle of morality.

Meanwhile Huerta's authority was being seriously contested by Venustiano Carranza, Francisco Villa, and others; and the unwillingness of the United States to accord him recognition hampered him seriously in obtaining the much-needed loans with which to carry on his government. The flat rejection of President Wilson's overtures of mediation, extended to the rival leaders through John Lind, was followed by the continuance of the revolution and anarchistic conditions in general. Indeed, a hostile attitude toward the United States appeared to increase among all factions, with the result that the murders of American citizens and the destruction of their property became common. Nevertheless President Wilson persisted in his program regardless of the criticism heaped upon him by his political opponents in the United States. In his message to Congress, December 2, 1913, he declared that Huerta was "completely isolated" and said: "By a little every day his power and prestige are crumbling and the collapse is not far away. We shall not, I believe, be obliged to alter our policy of watchful waiting."

This situation was complicated unexpectedly on April 10, 1914, by an unfortunate incident at Tampico. When some marines from an American war vessel were seized temporarily on landing, Admiral Mayo, in command of the vessels stationed in the harbor, sent an ill-advised ultimatum to Huerta's forces de-



manding an apology and a public salute to the flag of the United States. The refusal of the Mexicans to meet these demands in their entirety resulted in orders from President Wilson for the seizure by the American fleet of the city of Vera Cruz, the leading Mexican port, and its occupation by an army of six thousand men under General Frederick Funston. Naturally this action, which caused the loss of a considerable number of lives of both Mexicans and Americans, aroused extreme hostility among all the Mexican factions. Although a formal declaration of war was not issued, the policy of the United States was regarded by Latin Americans in general as inconsistent with the professions of good will recently proclaimed by President Wilson, and the seizure of a Mexican port not only as unjustified but as the beginning of a war of conquest. At this juncture the President gladly accepted the offer of the three "ABC" powers, Argentina, Brazil, and Chile, to mediate between the United States and the warring factions in Mexico. Though the recommendations of the commission were rejected later (May, 1914) by Carranza, whose early success over the forces of Huerta seemed assured, the willingness of the United States to cooperate with other Latin-American countries did much to allay their suspicions of the attitude of their powerful neighbor to the north. In July Huerta gave up the unequal fight, and the following month Carranza entered Mexico City. In November the American troops were withdrawn from Vera Cruz, and eleven months later (October, 1915) the United States formally recognized the Carranza government.

The Mexican difficulties were by no means settled, however; for Villa, the former ally of Carranza, came out in open revolt. Angered by the embargo on the shipment of arms from the United States to the opponents of Carranza, Villa's bands early in 1916 murdered eighteen American citizens at Santa Isabela and crossed into Texas, New Mexico, and Arizona to loot and murder. In the face of the crisis thus created, drastic action became imperative. With the half-hearted permission of Carranza, the United States sent a punitive expedition under the command of Brigadier General J. J. Pershing into Mexico on March 15, 1916, with orders to capture Villa. However, after

they had penetrated into the country for four hundred miles without results except increasing the hostility of Carranza, with whose armed forces they fought a number of minor engagements, the troops were halted. Meanwhile the continuance of Villa's raids along the border prompted the calling out of state militia and the dispatch of more than a hundred thousand national guardsmen to the border. For a time war again seemed imminent. In fact, a large portion of the American press and the political leaders, regardless of party affiliations, felt that the succession of affronts to the national honor demanded either full restitution and definite assurances for the future or a resort to the arbitrament of arms. Nevertheless negotiations for the withdrawal of the American troops and the maintenance of an adequate Mexican patrol of the border continued. Though no definite agreement was reached, the American troops were withdrawn from Mexico early in 1917.

Doubtless the serious nature of the European situation, which at that time bade fair to embroil the United States, had much influence on the adoption of the conciliatory and tolerant attitude of the American government in the face of great provocation. As a matter of fact, no fewer than seventy American lives had been lost within the period of two years, and millions of dollars' worth of property of American citizens had been destroyed. At all events President Wilson, though his policy from the beginning was vacillating and often contradictory, avoided open war. Indeed, war with Mexico at that particular time might have been disastrous for the United States in the light of the threatening war cloud in Europe.

Unfortunately, however, the withdrawal of the American troops and the dispatch of an American ambassador to Mexico City were not followed by peace in Mexico for some time. The government of Carranza became increasingly unpopular, and in 1920 it was overthrown by an armed rebellion led by Generals Obregón and Calles. Although these leaders were soon able to consolidate their power and to institute many reforms, their recognition by the United States was withheld until March, 1924. This delay was caused by the inability of the two governments to reach an agreement on some problems arising from

certain *ex post facto* provisions of the Mexican constitution of 1917 to the effect that the ownership of lands and waters was vested in the nation, that property in certain minerals, coal, petroleum, natural gas, etc. was inalienable by the state, that "only Mexicans by birth or naturalization" might obtain them either in ownership or by concessions, and that concessions obtained during Díaz's régime were subject to revision. After prolonged negotiations and the rendering of a decision by the supreme court of Mexico in the interest of the property rights of foreigners, the questions were settled eventually to the satisfaction of both countries.

At the same time political conditions within Mexico became somewhat stabilized, and economic prosperity was partially restored. Rebellions became less frequent. Those which actually occurred were suppressed with comparative ease by President Obregón and his successor, President Calles.

In the adjustment of subsequent difficult matters the diplomacy of Dwight L. Morrow, the American ambassador, was an important factor. Consequently by 1930 official relations between the two countries became more satisfactory than they had been for two decades.

### THE CARIBBEAN POLICY AND THE MONROE DOCTRINE

In relations with the nations of the Caribbean during the three decades following the Spanish-American War, the United States developed a new policy, distinct from that of the Monroe Doctrine, although embracing its main features. With the exception of the Lodge resolution of 1912, extending the scope of the Monroe Doctrine to Asiatic as well as European powers,<sup>1</sup>

<sup>1</sup> In 1912, when an American concern attempted to sell out certain concessions bordering on Magdalena Bay in Lower California to a Japanese corporation, Senator Lodge introduced the following resolution, which the Senate indorsed "*Resolved*, That when any harbor or other place in the American continents is so situated that the occupation thereof for naval or military purposes might threaten the communications or the safety of the United States, the government of the United States could not see without grave concern the possession of such harbor or other place by any corporation or association which has such a relation to another government, not American, as to give that government practical power of control for naval or military purposes "

there has been no change in the fundamental concept of the doctrine. In regard to the countries of Latin America, exclusive of those of the Caribbean area, it remains today essentially as it was thirty years ago. At the same time the problems of naval strategy growing out of the construction of the Panama Canal and the expansion of American interests in the Caribbean, together with the exercise of the so-called police power in connection with the maintenance of stable governments and sound financial policies in the states of that region, have brought about the formulation of a specific policy for meeting these conditions which is not applied elsewhere in the Americas. From the beginning the Caribbean policy was mainly strategic and political rather than economic. President Roosevelt, who in large measure was responsible for its origin, was prompted by a desire to control the Canal Zone and to acquire naval and coaling stations for its defense rather than in land-grabbing in the Caribbean or elsewhere. He felt that absolute authority over the Canal was a necessity both for the security of the Canal itself and for the completion of the mastery over the region of which the Canal was the life artery.

It must be admitted that during the first three decades of the twentieth century the government at Washington was more vigilant than ever before in protecting the interests of its citizens in the Caribbean; but this has been characteristic also of its conduct throughout the world, as it has been of the conduct of all the great industrial nations during the same period, because new economic conditions were making necessary new governmental policies.<sup>1</sup> For the major part of her history the United States had been accustomed to exchange foodstuffs and raw materials for the manufactured products of the industrial

<sup>1</sup> Though American trade with the Caribbean countries increased rapidly during the first thirty years of the twentieth century, that with the remainder of South America, where neither the Monroe Doctrine nor the Caribbean policy was applied, increased at a much greater rate. The fact that the share of the United States in the Caribbean trade exceeds that of any other nation is due in no small degree to the favorable geographical location and the natural interchange of commodities because of climatic conditions. American invested capital in the Caribbean region is estimated at slightly more than \$2,000,000,000. Some 27,000 American citizens in 1930 had residences in that area.

countries of Europe, but at the time of the construction of the Panama Canal she was feeling her way into the front rank of industrial powers. The growth of her manufacturing activity was causing the character of her foreign trade to undergo an important change. With the accumulation of a large surplus capital and the decrease of opportunities for profitable investments within the United States, the bankers and capitalists of the country naturally turned their attention to the development of foreign markets and the exploitation of the resources of lands beyond her borders. As the region of the Caribbean Sea, at the very door of the United States, appeared one of the choicest fields for this expansion, the American business man took advantage of the opportunities thus placed at his disposal. However, the stabilization of political conditions in the region was necessary in order that it might be of any great material benefit to him as well as to capitalists from other sections of the world. Without this the region would have remained in a backward, undeveloped condition. Thus the Caribbean policy was a response to economic and political necessity.

#### THE PAN-AMERICAN MOVEMENT

Although both the Monroe Doctrine and the Caribbean policy of the United States were originated and are maintained primarily for the protection of the interests of the United States, they have operated to the benefit of the Latin-American countries as well. Though these nations recognize the protection which the Monroe Doctrine originally brought to them, they feel that today it is no longer necessary. To the newer and more comprehensive Caribbean policy they are especially hostile, because they consider that it carries with it a loss of a considerable degree of sovereignty. Thus, irrespective of the benefits that may accompany its application, it can never be made popular. The fear of its extension to yet other countries, with their ultimate incorporation in the body politic of the "great and powerful republic to the North," is genuine throughout Latin America.

For many years those in charge of the government at Washington have been studying to allay these fears and to bring about

a closer relationship based on genuine friendship with all the countries of Latin America. On a number of occasions goodwill visits have been made to South America with that specific object in view, and presidents from Roosevelt to Hoover and Secretaries of State from Root to Stimson have assured the Latin-Americans repeatedly that the United States government has no aggressive designs on their sovereignty. In 1913 President Wilson declared: "The United States has nothing to seek in Central and South America except the lasting interests of the peoples of the two continents. . . . The United States will never again seek one additional foot of territory by conquest." A decade later President Coolidge asserted: "Our country has never sought to be a military power. It cherishes no imperialistic designs, it is not infatuated with a vision of empire. It is content within its own territory to prosper through the development of its own resources." At Gyaquil, December 1, 1928, during his Latin-American tour President-elect Hoover stated that "true democracy is not and cannot be imperialistic," and in his inaugural address he added, "We have no desires for territorial expansion, for economic or other domination of other peoples." The American social, economic, and political system, he continued, are the very "negation of imperialism." Though these utterances have not been without effect, hostility toward the United States and fear of her aggressions persist.

Of the many methods and agencies that have been employed to bring about mutual sympathy and understanding, probably the most effective plan has been a series of Pan-American conferences and congresses. At one of these great international American gatherings in 1889 provisions were made for the establishment of the Bureau of American Republics, which after 1910 was known as the Pan-American Union, devoted to the encouragement of Pan-American commerce, friendship, and peace. The affairs of this organization have been managed wisely, and its influence has been far-reaching. Numerous commercial and scientific conferences also have done much to develop closer inter-American relations.

Apart from these efforts looking to a lasting friendship between the nations of the two Americas, it must be admitted that

the people of the United States have not exerted themselves to any great extent either to understand the difficulties that have sorely tried their less powerful neighbors or to study their racial characteristics with the friendly appreciation necessary to good feeling between states. The knowledge which the average citizen of the United States has of the history, institutions, government, and policies of the Latin-American states is woefully deficient. Moreover, the North American press devotes its attention for the most part to the United States proper, to Europe, and to the Orient. Until this situation is remedied through an honest attempt on the part of both peoples to understand each other in the light of their respective histories, traditions, racial characteristics, and economic and social interests, suspicions and hostilities will continue to prevail and all the efforts of those in charge of the different governments to counteract them will have little effect.

## CHAPTER XXV

### THE WORLD WAR AND THE PREPAREDNESS MOVEMENT

#### THE PEACE MOVEMENT

While the Democratic president and the Democratic Congress were absorbed in the enactment of a comprehensive program of domestic reform and the readjustment of the relationship between the government and the colonies and dependencies of the United States in the Pacific and in Latin America, the administration was unexpectedly required to direct its attention to certain problems growing out of the World War. Although the United States was a world power in the real sense of the word, the principle of complete isolation from European affairs was so deeply rooted in the American mind that the average citizen could not conceive of any eventuality beyond the Atlantic that might actively involve his country. Adhering to the maxims of nonintervention and the avoidance of entangling alliances, the United States throughout her history had scrupulously limited her sphere of political activity in international relations. There were those, however, who foresaw the influence that industrialization was destined to have on her foreign policies. Among these was Roosevelt, who penetrated to the core of the matter when he declared: "We have no choice, we people of the United States, as to whether we shall play a great part in the affairs of the world. That has been decided for us by fate, by the march of events." The significance of this statement was not fully comprehended in 1912 either by Woodrow Wilson or by the leaders of his party. As a matter of fact, the platform on which Wilson was elected paid scant attention to foreign affairs, and he himself did not even mention the subject either in his campaign speeches or in his inaugural address. Nevertheless, by a strange turn of events he was called on immediately after



his advent to power to deal with more important foreign problems than any other American chief executive had faced and, before his retirement from the presidency, to lead his country inconceivably far in the direction of internationalism.

The inability of President Wilson and the majority of his fellow countrymen to appreciate fully the critical stage in the relations between the nations of Europe is easily understood. In fact, the mass of Europeans, including many of the greatest statesmen, were equally deluded. Even Lloyd George, the British Chancellor of the Exchequer, stated in 1912 that he regarded "this as the most favorable moment in twenty years to overhaul [reduce] our expenditures on armaments." Two years later, when the war actually and suddenly began, many of the leading diplomats, who were away from their respective duties on their summer vacations, were taken completely off their guard. Indeed, at no period in the previous century had the question of world peace and the outlawry of war been more generally discussed both in Europe and in America than during the decade preceding the World War. Peace societies were numbered by the thousands, and many new agencies were continually springing up to promote the interests of peace, such as lectureships and the wide circulation of books and pamphlets dealing with peace. Furthermore, the growth of international-mindedness was everywhere evident. Not only were the nations of the world being drawn closer together by trade relations, but the interchange of ideas through the multiplicity of social, scientific, economic, educational, and financial societies was bringing about a greater degree of coöperation than ever before. At the same time both business and labor, irrespective of national boundaries, had come to regard war as of no permanent value even to the victorious nations and had steadily set themselves against it.

It was but natural that the numerous agencies for the advancement of peace should have found the United States peculiarly hospitable to their teachings. Her geographical position, together with her long habit of political isolation, had removed any immediate danger to her safety from foreign aggression, while her abundant resources gave her a feeling of economic security which no other nation in the world possessed. Hence

she met the proposals for the arbitration of international disputes and other plans for the eradication of war with a ready response. The prevalent opinion in America of the general peace movement was voiced by President Wilson in his first annual message to Congress in December, 1913, when he said: "Many happy manifestations multiply about us of a growing cordiality and sense of community among nations, foreshadowing an age of settled peace and good will. More and more readily each decade do nations manifest the willingness to bind themselves by solemn treaty to the processes of peace, of frankness and fair concessions." As an illustration of this he pointed with pride to the fact that his administration had negotiated treaties with thirty-one nations, representing four fifths of the population of the world, by which "all questions of whatever character and nature in dispute between them" would be submitted to an international commission for investigation, while each bound itself to refrain from a resort to arms until the full report had been received.

Regardless of the manifestations of international good will and peace which were heard on every hand, however, Europe was an armed camp, and its leading nations were grouped together in hostile alliances in a fruitless attempt to maintain a balance of power. Their boundaries were lined with fortifications, and their annual expenditures for military establishments had reached such enormous sums that the people were staggering under the burden and sane men were asking the question How long can the race of armaments continue? As a matter of fact, the two decades preceding the opening of the World War had witnessed no fewer than ten major wars, in addition to local and petty contests, involving twenty-three important states and extending into every known part of the globe. Twice within three years wars in the Balkans, the trouble center of Europe, had been prevented from spreading through the network of hostile alliances into a world-wide conflagration only by the heroic efforts of European statesmen.

## THE WORLD WAR

Thus, in the midst of an international movement for peace, such a seemingly insignificant and local incident as the murder of the archduke of Austria by a Serbian fanatic at Serajevo, Bosnia, on June 28, 1914, started in motion a train of events that involved nine tenths of the people of the world in the most destructive war recorded in history. For many years the interests of the great powers of Europe had conflicted in the Balkans. Austria and Germany, close allies, were seeking to extend their economic and political influence across the Balkans into Turkey and to the Persian Gulf, while Russia, England, and France with equal determination endeavored to hold in check the Teutonic advance. Since the small independent country of Serbia stood in the way of the realization of Austria's political aspirations and indirectly of Germany's, the most intense feeling developed. In Serbia there was the fear of aggression, and in the two greater powers a resentment of the obstacle that stood in the way of their expansion. Hence Austria made the murder of the archduke the occasion for settling once and for all the so-called Serbian menace. With the approval of Germany she presented to Serbia a forty-eight-hour ultimatum, which if accepted would deprive Serbia of many of her most cherished attributes of sovereignty. Although making sweeping concessions, the Serbian reply proved unsatisfactory; and on August 1 Austria's armies crossed the border to enforce her demands. Russia immediately mobilized in defense of Serbia, and Germany came to the assistance of Austria. Such was the state of European alliances that within a brief space of time Austria, Germany, Bulgaria, and Turkey, the so-called Central Powers, were engaged in a devastating war with Serbia, Russia, England, France, Italy, Belgium, Montenegro, Rumania, Portugal, and Japan, constituting the Entente, or Allied nations. In all Europe only Holland, the Scandinavian countries, Spain, and Switzerland remained neutral.

Although the struggle began over a local issue between Austria and Serbia in the Balkans, attention soon centered on Germany, because her military strength and aggressiveness made

her the dominating factor in the struggle. Her invasion of Belgium (a neutralized state whose status she, like other European powers, was pledged to respect) as a means of striking a deathblow to France before the latter could mobilize her forces aroused the world as had no other single act since the time of the Crusades. Thenceforth the contest appeared in the light of one between ruthless militarism, autocracy, and world dominion on the one side and democracy, the defense of the rights of small nations, and peace on the other.

During the first weeks of the war the German armies advanced rapidly through Belgium to the Marne in France, where they were checked, while on the Eastern Front the armed forces of the Central Powers, after making substantial advances into enemy territory, also halted. The opposing forces on both fronts then intrenched themselves and settled down to a war of attrition. Meanwhile the British navy in coöperation with the Allied Powers had become supreme on the seas.

#### AMERICAN NEUTRALITY

The official attitude of the United States in the war was pre-determined by her policy of noninterference in Europe's affairs. In fact, the modern doctrine of neutrality had become through America's insistence an integral part of international law. On numerous occasions in the past the United States had demanded in behalf of all neutral states that belligerents respect the rights and property of neutrals, while at the same time she willingly acknowledged the duties of neutrals to belligerents. Regardless of his own opinion or that of the public, therefore, President Wilson in 1914 naturally insisted on the country's neutrality. Not only had he entered office on a program of domestic reform, the fulfillment of which depended on internal tranquillity, but he was a genuine pacifist. From the beginning of the war he conceived it as his peculiar function as president of the greatest neutral power in the world to be the instrument through which peace might be established. "We are champions of peace and concord," he said, "and we shall be very jealous of this distinction which we have sought to earn."

Consequently on August 4 he issued a formal proclamation of neutrality, which was repeated as successive nations entered the contest. Fifteen days later this document was followed by one in which he made an appeal to the American people to maintain an attitude of nonpartisanship in the struggle. "The people of the United States are drawn from many nations," he said, "and chiefly from the nations now at war. It is natural and inevitable that there should be the utmost variety of sympathy and desire among them with regard to the issues and circumstances of the conflict." "The United States," he declared, "must be neutral in fact as well as in name. . . . We must be impartial in thought as well as in action, must put a curb upon our sentiments as well as upon every transaction that might be construed as a preference of one party to the struggle above another. My thought is of America . . . , a nation that neither sits in judgment upon others nor is disturbed in her own counsels, and which keeps herself fit and free to do what is honest and disinterested and truly serviceable for the peace of the world."

Despite this fervent plea of the President, the people were not "neutral in fact" or "impartial in thought," and they soon showed the rankest kind of partisanship. Indeed, this development was not surprising when it is realized that one third of the hundred million inhabitants of the United States were foreign-born or of foreign-born parentage. Of these nearly nine million either were born in Germany or had one parent born there. On the other hand, the mass of the older elements of the population were of English descent and sympathies. Add to the racial condition the fact that authentic information could not be obtained from the war fronts, where a stringent censorship was maintained, and it is easily understood why the news which came to the American public was largely propagandistic. Furthermore, the importance of the tremendous resources of the United States to the probable outcome of the war led both groups of warring nations to spend vast sums of money in an effort to influence American opinion by working through their respective nationals and such agencies as they were able to control. Thus a considerable proportion of the foreign-language press became outspoken, partisan literature was widely distrib-

uted, and hundreds of paid lecturers were engaged to arouse the sympathies of the people.

With all this partisanship, however, at first a comparatively small number of Americans favored active intervention. Regardless of the warmth of their feelings, the people generally looked upon the struggle as one in which the United States was only indirectly concerned. Even ex-President Roosevelt, who later became an outspoken advocate of participation on the side of the Entente, stated in an article in *The Outlook* on September 23, 1914: "It is certainly eminently desirable that we should remain entirely neutral, and nothing but urgent need would warrant breaking our neutrality and taking sides one way or the other. . . ." Even in the matter of Germany's violation of the neutrality of Belgium and the alleged atrocities committed there he declared, "We have not the smallest responsibility for what has befallen [Belgium]"<sup>1</sup> With the progress of the war, however, the underlying principles involved and their proper relation to the American people became increasingly evident as Germany's war methods and her war aims became known. Along the Atlantic seaboard the trend of opinion from the beginning strongly supported the Allied Powers. In fact, business men generally held this attitude, partly because of their financial relationships with Great Britain and partly because of their dislike and fear of Germany's commercial methods. At the same time the region west of the Mississippi and, to a less extent, the Middle West showed an attitude of indifference toward the struggle.

Because of her neutral position the United States was called on at the very beginning of the war to perform many friendly services for the belligerents. Among these was to take custody

<sup>1</sup> Bishop, in his life of Roosevelt (Vol II, p. 372), attempts to prove from the correspondence of Roosevelt that the opinion expressed in the public article in *The Outlook* was not his real attitude. To support his contention, he quotes a letter written by Roosevelt to the British ambassador at Washington under date of October 3, 1914, in which Roosevelt stated that had he been president at the outbreak of the war he would have called "the guaranty of Belgium's neutrality" to the attention of Germany with the statement that he "expected not only the United States but all other neutral nations to join in enforcing it. Of course," he continued, "I would not have made such a statement unless I was willing to back it up."

of the abandoned embassies of the various warring nations and to extend relief to the noncombatants who were stranded in an enemy's country when the war broke out. Moreover, thousands of Americans who found themselves within the battle area without funds and in dire need of succor were rescued by Congress by the immediate dispatch of warships to provide transportation back to America and money with which to meet ordinary expenses. Meanwhile, to care for the great numbers of refugees driven across the Channel into England penniless and homeless by the invasion and devastation of Belgium, the American Relief Committee in London was formed under the chairmanship of Herbert Hoover, a distinguished American mining engineer who happened to be there at the critical time. A few weeks later the Commission for the Relief of Belgium (an outgrowth of the former organization, still under Hoover's leadership) assumed the care of the Belgian civil population, whose condition was indeed pitiful as a result of the German war measures. Literally hundreds of Americans who were then in Europe volunteered their services to this agency and others of its kind, and as the war progressed, their numbers were steadily augmented by accessions from the United States.

### ECONOMIC EFFECTS OF THE WAR ON THE UNITED STATES

Important as were the problems growing out of the attempt of the American government to maintain its neutrality, those concerned with the transformation of the economic life of the nation to meet the results of the war were even more significant. Not only was the trade of the nation interrupted, its industrial life revolutionized, and its revenue system disorganized, but its feeling of security and its illusions of isolation were totally dispelled. As might be expected, the first economic effect of the war was the unsettling of American financial and industrial affairs. The enormous trade which had previously existed with the Central Powers and Russia was almost totally destroyed, and the demand for many kinds of products in England and the Allied countries was curtailed. At the same time the withdrawal of the large German merchant marine from the seas and the

requisition of much of that of England and France for war purposes left the American producer without means of transporting his commodities to the markets that remained to him. The result was the destruction of business confidence and a general lowering of prices.

The consequent financial depression, however, was of comparatively short duration. With practically the whole of Europe in arms, the withdrawal of millions of farmers and artisans from the fields and the factories created a steady increase in the demand for American foodstuffs, clothing, and war munitions, so that within a year all signs of depression had disappeared and the country was enjoying a period of frenzied prosperity.<sup>1</sup> Prices rose to fabulous levels, benefiting agriculture, manufacturing, and commerce alike, while a marked increase in wages followed. Naturally there occurred a rapid extension of industrial activities and the establishment of many new manufacturing concerns to share in the enormous returns. Fortunes were easily made in the speculative fervor that pervaded the nation, and extravagances unparalleled in American history were indulged in the lust for luxuries and the craze for entertainment.

The demand for American goods quickly made the United States the world's greatest exporting country, for importations from abroad decreased and exportations increased.<sup>2</sup> To meet the unfavorable balance of trade thus created, Europeans sold their American securities to American investors, gold to the value of hundreds of millions of dollars was shipped to the United States, and, when these means became inadequate, government loans running into billions of dollars were floated in America to pay for goods purchased in America. These developments not only altered the whole trend of world finance and world trade but transformed the United States from a debtor to a creditor nation, with effects that were far-reaching in both the domestic and the foreign policies of the government.

<sup>1</sup> The increased demand for American products is indicated by the exportations of wheat, which rose in value from \$39,000,000 in 1913 to \$300,000,000 in 1917, and of munitions, which increased from \$5,000,000 to \$803,000,000 during the same period.

<sup>2</sup> The balance of trade in favor of the United States increased from \$691,000,000 in 1913 to \$1,768,000,000 in 1915 and to approximately \$3,000,000,000 in 1916.



## THE MERCHANT MARINE

The dependence of the United States on foreign ships was brought home to the nation forcefully during the early months of the World War, when many of the European merchant vessels were withdrawn from oversea trade with consequent drastic advance in freight rates and the inability of Americans to send their products at any cost to the profitable markets which suddenly developed. Not only was the cotton crop of 1914 piled up at Southern terminals, but the ports everywhere were overburdened with quantities of goods awaiting shipment. The question of building an adequate American merchant marine was by no means a new subject. Indeed, it had been a topic of intermittent discussion in and out of Congress ever since the close of the Civil War, and many proposals had been made for the encouragement of American shipping. However, the returns from shipping both to capital and to labor had been so meager as compared with those from other fields of investment that the industry had steadily declined. Indeed, the percentage of United States foreign trade carried in American vessels decreased from 66.5 per cent in 1860 to 9.7 per cent in 1914, when the tonnage registered in oversea trade stood at 1,066,288. That enrolled in coastwise and Great Lakes' trade was 6,818,363, a considerable portion of which was transferred to ocean traffic after the outbreak of the war.<sup>1</sup>

Because of the crisis in American shipping, the possibilities of enormous profits to be made from the industry naturally attracted capital to it with the result that shipbuilding had an immediate revival. The government enacted some legislation to encourage its development. In August, 1914, a Ship Registry Act was passed providing for the admission to American registry of foreign-built vessels when owned by American citizens or by corporations whose officers were Americans. Although one hundred and forty-eight vessels, with a tonnage of slightly more than half a million, were brought into the American merchant marine

<sup>1</sup> In 1914 the tonnage of the merchant marine of Great Britain was estimated as 16,541,000 and that of Germany as 4,593,000. In 1913, of the total foreign trade of the United States, 66 per cent was carried in British ships. At that time only six American ships were engaged in the transatlantic trade.

under this act, it fell far short of meeting the emergency. In September of the same year, as a means of counteracting the exorbitant rates charged by commercial insurance companies, the Secretary of the Treasury was authorized to establish a Bureau of War Risk Insurance to underwrite at reasonable prices the marine risks incident to the war. The early indications that these measures would fail to provide sufficient ships for the commercial demands led the administration to propose to Congress that the government itself establish, own, and operate steamship lines. Though a bill to that effect was introduced in Congress, the fear of government ownership and the possibility of foreign complications resulted in the postponement of its passage until September, 1916, when diplomatic relations with Germany had become so strained that America's entrance into the war seemed an actual possibility. This measure created a Shipping Board of five members, whose chief function was to foster the growth of a merchant marine and a naval auxiliary. Among other things, it was authorized to establish one or more corporations for the purchase, lease, and operation of merchant ships, a project for which 51 per cent of the capital, which was not to exceed \$50,000,000, was to be subscribed by the government; to acquire vessels, "suitable, as far as commercial requirements may permit, for use as naval auxiliaries"; and to supervise the operation and charges of the privately owned merchant vessels. Though the power to regulate interstate and foreign carriers by water was made permanent, the system of government ownership was limited to five years after the close of the war. As a matter of fact, before the Shipping Board had fairly begun its work the United States entered the war, and the Board was called on to assume enormous responsibilities in connection with the carrying out of the government's war program.

#### THE EMERGENCY WAR-REVENUE LEGISLATION

While the European conflict brought the United States prosperity, it also imposed many heavy financial obligations. For one thing, the military and other branches of the government required increased appropriations, to meet which the existing

revenue system, based largely on duties collected on imports, was inadequate owing to the disorganization of international trade. In fact, the customs revenue in 1915 produced a smaller yield than in any year since 1899, and the Treasury was faced with a deficit. Instead of issuing bonds on Treasury notes to meet these deficiencies, thus passing on the obligation of payment to future generations, President Wilson urged Congress to adopt a pay-as-you-go policy by increasing the existing taxes and finding new sources of revenue. Accordingly in a series of acts passed during 1914, 1915, and 1916 Congress raised the excise tax on liquors and instituted a stamp tax on brokerage transactions, amusements, promissory notes, insurance policies, bills of lading, telegraph and telephone messages, steamer, parlor-car and sleeping-car tickets, and a long list of other items. The normal rate of the income tax for both individuals and corporations was doubled, and the surtax rates on incomes were advanced on a graduated scale from 6 to 13 per cent. A Federal tax on inheritances, ranging from 1 to 10 per cent, was levied on estates of from \$50,000 to \$5,000,000, and a tax of  $12\frac{1}{2}$  per cent was laid on the net profits derived from the manufacture of explosives, firearms, and other munitions except when they were used for industrial purposes. By these measures an effort was made to place the chief burden on wealth, on large profits, on unearned increment, and on luxuries and recreation, instead of deriving the taxes from the customary "consumption" levies. Although bitterly assailed by the Republicans as "war taxes in time of peace," these revenue acts not only were successful in providing additional funds at that time but have remained the basis of the taxing system of the Federal government ever since.

#### PREPAREDNESS VERSUS PACIFISM

The rapid spread of the war and the increasing desperateness with which it was conducted, irrespective of the time-honored international code of warfare and of the rights of neutral powers, caused Americans to direct their thoughts toward their own military establishment. A merely superficial examination disclosed the fact that the nation was almost wholly unprepared

for war with any great power, a fact which had been emphasized by the experiences of the army in its demonstration against Mexico (pp. 557-560). Though, to be sure, the country was fabulously rich both in man power and in natural resources, out of which in time an effective military force could be developed, these, unorganized, were of little or no use for purposes of either offensive or defensive warfare. For this condition of unpreparedness the traditional feeling of geographical and political isolation was largely responsible. Since the United States regarded herself as immune from foreign aggression and since she had no designs on other nations, the expenditure of vast sums of money for the maintenance of large military establishments was considered the rankest kind of extravagance. Even after the outbreak of the war many months elapsed before the average American could be brought to see any direct connection between the United States and the bitter struggle on the other side of the Atlantic, nor could he be brought to a realization of the evidences everywhere that his country might soon be embroiled in the great contest. Indeed, this is not surprising, since President Wilson, to whom the people looked for guidance, purposely fostered the forces of pacifism and encouraged the devotees of national isolation. Repeatedly he asserted that in the issues of the war the United States had no special interest, and both he and his Secretary of State at first opposed the movement for preparedness. Bryan assured his countrymen that in case of need "a million men" could be raised "between sunrise and sunset"; and President Wilson in his message of December 8, 1914, to Congress, advising that body to provide for the extension of the system of voluntary military training and the strengthening of the organized militia of the states, expressed the opinion that the nation could continue with perfect safety to depend in time of peril "not upon a standing army, nor yet on a reserve army, but upon the citizenry trained and accustomed to arms." Later he asserted his unwillingness to consider force as an element in the foreign policy of his government; and in referring to the demand for compulsory military training he declared, "We will not ask our young men to spend the best years of their lives making soldiers of themselves."

Nevertheless many realized that the nation was approaching the point where a military force might become necessary. The weakness of the army, in particular, was called to the attention of the country by General Leonard Wood, who delivered many public addresses, in each of which he made a fervent plea for a greater degree of preparedness. He maintained that the regular army was "just about equal to the police forces of Boston, New York, and Philadelphia," and that the militia, regardless of its paper strength, could be of little use in a war against any of the great powers of Europe; and he cited many instances from the War of 1812, the Mexican War, and the Civil War to prove his contentions. At the same time a large group of influential men with similar views had formed the National Security League for the purpose of creating an "intelligent expression of public opinion" in behalf of the establishment of "an adequate system of national defense." This organization, acting in cooperation with the Navy League, made a canvass of the country during 1915 and 1916 with the purpose of educating the public on the necessity for military preparedness. This agitation received a remarkable response among the people in the East and had somewhat less effect in other parts of the country. On May 13, 1916, there was a preparedness parade in New York City in which more than one hundred and twenty-five thousand of the city's business and professional men and women marched up Fifth Avenue in a great demonstration in favor of adequate military preparation against war. Meanwhile the ruthless character of Germany's war program and her disregard of the rights of the United States caused an increasing number of Americans, chief among whom was ex-President Roosevelt, to demand an immediate declaration of war against her. This movement was carried forward with great effectiveness by the American Rights Committee, formed in December, 1915.

To counteract the drift in sentiment toward preparedness and America's entrance into the war, a large number of peace organizations were formed. Consequently the years 1915 and 1916 witnessed the most active struggle in the history of the nation to influence public opinion. Among these peace societies were the American League to Limit Armaments and the American

Union against Militarism, with both of which antimilitarists and nonresistants were affiliated; the American Independence Union and the American Neutrality League, with which the German-American organizations identified their interests; and the Woman's Peace Party, founded by Jane Addams. In general these pacificatory societies opposed the idea of preparedness both in theory and in practice and advocated, among other things, the placing of an embargo on the sale of arms to all the warring nations. To the peace societies the pro-Germans gave their support, and the German government expended large sums in an attempt through them not only to defeat a program of preparedness by the United States but to prevent such legislative or executive measures as would react against their own war program.

With the growing seriousness of the grievances against Germany, however, these peace societies by the end of 1916 were left in the hands of the extreme pro-Germans, the Socialists, and the nonresistants, while the more constructive members transferred their support to the League to Enforce Peace, formed in Independence Hall in Philadelphia on June 17, 1915. Some of the leaders of this movement were ex-President Taft, A. Lawrence Lowell, President of Harvard University, and Hamilton Holt, editor of *The Independent*. A year later its program was indorsed by President Wilson and was accepted in principle by the leading belligerents. It purposed, through a voluntary association of nations, to provide machinery which should prevent wars from being lightly or arbitrarily begun. Among other features it advocated that questions arising between nations which could not be adjusted through the ordinary diplomatic channels should be submitted to arbitration and, furthermore, that the signatories should jointly employ both their military and their economic forces against any one of their number who might wage war against another of the signatories before the matter in dispute should have been duly submitted for consideration in conformity to the rules agreed to in relation to such matters. Thus an international police force was to be provided to compel the postponement of war until a clear statement of the causes and motives had been made. Many of the members of this organization in time identified themselves with the movement for preparedness.

## THE NATIONAL DEFENSE LEGISLATION OF 1916

Before the end of 1915 popular sentiment in the United States underwent a notable change with reference to preparedness, as a result of German threats and outrages against American honor and safety. Even President Wilson altered his former position. Abandoning in part his policy of isolation, he boldly proclaimed his new ideal of international service, which, to become effective, manifestly required at least a show of force. "We are," he said, "in some sort and by the force of circumstances the responsible spokesman of the rights of humanity." While discounting a resort to war, he admitted that it might become necessary if the American people were to assume the rôle of champions of liberty in the world at large. "America ought to keep out of this war," he said, "at the expense of everything except this single thing upon which her character and history are founded, her sense of humanity and justice. . . ." He admitted frankly that the trend of events had brought about a complete change in his attitude on this and many other questions. "I would be ashamed," he said, "if I had not learned something in fourteen months." In fact, so decided had he become in his belief in the immediate necessity of strengthening the military establishment of the government that in February, 1916, he made an extended speaking tour in the Middle West in the hope of forcing Congress, which was apathetic on the subject, to enact the legislation for the execution of his program. In one of these addresses he said: "I know that you are depending upon me to keep the nation out of war. So far I have done so, and I pledge you my word that, God helping me, I will — if it is possible. . . . You have laid another duty upon me. You have bidden me see that nothing stains or impairs the honor of the United States. . . . There may be at any moment a time when I cannot preserve both the honor and the peace of the United States. . . . Do you want the situation to be such that all the President can do is to write messages, to utter words of protest? Do you wish to have all the world say that the flag of the United States, which we all love, can be stained with impunity?"<sup>1</sup>

<sup>1</sup> On June 14 Wilson headed a preparedness parade of 60,000 in Washington.

Indeed, the immediate need for the enlargement of the army seemed imperative if the prestige and honor of the government were to be maintained abroad. At the outbreak of the World War the army numbered only 92,000 men, of whom 19,000 belonged to the noncombatant administrative and educational branches. Wilson's recommendation to Congress for its increase, however, fell so far short of the wishes of the military experts that it was assailed roundly as a half-hearted measure likely to produce no efficient result, and his Secretary of War, Lindley M. Garrison, resigned from the cabinet in disgust. To the consternation of his critics Wilson filled the vacancy by the appointment of Newton D. Baker of Cleveland, Ohio, who was generally known as a pacifist. During the war which developed later, however, Baker, who was an able lawyer and an influential politician, acquitted himself with signal honor both to himself and to his country.

After months of discussion in Congress between those who wished to organize the army on the basis of compulsory service and those who favored its continuance on the principles of volunteering and of the National Guard, the National Defense Act became a law on June 3, 1916. By this measure the regular army was to be increased in five annual accessions to about 186,000 men, although the number might be advanced to approximately 220,000 by executive order. The National Guard was to be federalized, and its size, after a period of five years, was fixed at about 425,000 officers and men. The act made provisions for the establishment of civilian training camps and for military training in schools and colleges. On August 29, 1916, Congress created also a Council of National Defense, consisting of six cabinet officers and seven experts in designated fields, charged with the task of unifying the military activities of the government and utilizing the resources of the nation for war in case of need. The efficiency of such an organization as this had been made evident through the unifying of the whole civil and military population of every belligerent country engaged in the European war. In fact, nearly a year before the passage of this act Secretary Daniels had taken a similar step for the navy in the creation of the Naval Consulting Board for



the collection of information and the giving of scientific advice on the manufacture of naval munitions.

Since the public in general recognized the need for a strong navy, the administrative program for the expansion of that wing of the service encountered less opposition than that offered to the National Defense Act. On August 29, 1916, the Naval Appropriation Bill passed Congress, providing for the construction, over a three-year period, of ten dreadnaughts, six battle cruisers, and one hundred and forty minor units at a cost of between \$500,000,000 and \$600,000,000. It was the avowed purpose of the sponsors of this measure to place the navy of the United States by 1920 at approximately the place where Great Britain's had stood in 1914.

Unfortunately for the country this elaborate plan for the expansion of the entire military service of the government had scarcely got under way when America entered the war in the early spring of 1917.

#### THE PRESIDENTIAL ELECTION OF 1916

While the movement for preparedness was being waged throughout the country, the campaign for the nomination of presidential candidates occurred. From the beginning it was generally agreed that the defeat of President Wilson, whose renomination by the Democrats was regarded as a certainty, depended on the union of the progressive and conservative factions in the Republican party. The feeling between the leaders of these opposing groups in the campaign of 1912 was so intense, however, that the attainment of this much-desired result seemed highly improbable. In fact, in December, 1913, a convention of some fifteen hundred Progressives representing every state in the nation had decided that the party should continue its organization and adhere strictly to its legislative program — action in which Roosevelt concurred. But before the opening of the campaign of 1916 this resolve had been greatly weakened; and in the congressional elections of 1914, as has been seen, approximately half the Progressives had either returned to the Republican fold or given their support to the Democrats, whose liberal tendencies

had won their approval. At the same time a considerable number of leaders in both the organizations were earnestly endeavoring to reunite and reconstruct the party "on progressive lines." The Republican National Committee in December, 1913, made a move in this direction by deciding to democratize the nominating machinery by a reform of the system of apportioning delegates to the national convention. Thus, instead of allotting to each state two delegates for each senator and representative in Congress, irrespective of party strength, it apportioned to each state four delegates at large, one delegate for each congressional district, and one additional from each district in which the Republican vote for presidential electors in 1908 or for the Republican candidate for Congress in 1914 was not less than seventy-five hundred. Although this reform corrected an evil against which the Progressives had protested, it met only one of many questions involved in the factional struggle.

Before the beginning of the campaign of 1916, however, the political situation had become very much confused by many new issues. While the Democrats had fortified their position by a brilliant record of reform, they suffered because of the administration's conduct of foreign affairs, which had been somewhat uncertain, particularly with reference to the policy of "watchful waiting" in Mexico and the defense of American rights against the belligerent powers in the European war. Recently the situation had become still more involved through Villa's raid on Columbus, New Mexico, in March and the German submarine policy in the Atlantic.

The national convention of the Progressives and that of the Republicans opened in Chicago on the same day (June 7). It soon became evident that the Republicans would not agree to the nomination of Roosevelt, on which the rank and file of the Progressives insisted. Consequently the Progressives adopted a platform and placed in nomination Roosevelt and John M. Parker of Louisiana. Since the acceptance of Roosevelt was uncertain, the National Committee was given authority to take such action as it deemed advisable in the event that Roosevelt refused to accept the nomination. Meanwhile the Republican convention, in which harmony in general prevailed, nominated

for the presidency Charles E. Hughes, former governor of New York and a Justice of the Federal Supreme Court. Hughes was by no means beloved by the stand-pat Republicans; but he was regarded as a "safe and sane" candidate, whose progressiveness was unquestioned and whose character was unimpeachable — qualifications which were essential to the success of the party's nominee. Furthermore, he possessed a brilliant mind and a wide knowledge of governmental problems.<sup>1</sup> The platform emphasized Wilson's "indefensible" methods of interference in Mexico and his failure to protect the fundamental rights of American citizens in Europe and declared that his "phrase-making and shifty expedients" had "destroyed our influence abroad and humiliated us in our own eyes." However, it proposed no exact or definite alternative policy. It denounced the tariff and other Democratic domestic measures and branded the President's plan for the establishment of a government-owned merchant marine as inexpedient and dangerous. Immediately after the adjournment of the two conventions Roosevelt declined to accept the Progressive nomination on the ground that the nation's welfare demanded the defeat of Wilson and that this could be attained only through the election of Hughes, whom he regarded as a man with liberal tendencies and of unquestioned integrity. Sorely disappointed, the Progressive National Committee decided to take no further steps to place a third ticket in the field, although Parker refused to withdraw from the race.

The Democratic convention assembled in St. Louis on June 14. Unlike its predecessor of 1912, it was comparatively free from friction; and the prearranged program, prepared largely by President Wilson, who was in complete control of its proceedings although not present in person, was followed with clocklike precision. Regardless of the plank in the platform of 1912 pledging the party's candidate to a single term, Wilson was nominated without opposition and by acclamation. In the platform the long list of legislative achievements was enumerated and the foreign policy of the administration was stoutly de-

<sup>1</sup> Hughes took no part in the pre-convention campaign. "The Supreme Court," he said, "must not be dragged into politics." On June 10, after his nomination, he resigned as a member of the Supreme Court.

fended.<sup>1</sup> Ollie James of Kentucky, chairman of the convention, in his address to that body, said, "Without orphaning a single American child, without widowing a single American mother, without firing a single gun or shedding a drop of blood, Mr. Wilson wrung from the most militant spirit that ever brooded over a battlefield a recognition of American rights and a concession to American demands." Of special significance was a brief paragraph in the platform on the subject of foreign affairs, which said in part, "In particular we commend to the American people the splendid diplomatic victories of our great President, who has preserved the vital interests of our government and its citizens and kept us out of war." Although never actually uttered by President Wilson, the words "He kept us out of war" became in the hands of the Democratic orators an effective campaign slogan. Posters depicting the horrors of the bloody battlefields as contrasted with the prosperous and peaceful conditions in America were displayed throughout the land under the caption "He Kept us Out of War." Although its influence in the East was less effective than in the West, it won thousands of voters for the Democratic ticket and may have been a deciding factor in several states.

President Wilson made no campaign tours; but he delivered a number of addresses at his summer residence, Shadow Lawn, at Long Branch, New Jersey, in which he defended his policies and emphasized the progressive character of his administration. In reply to an offensive letter written by an anti-British agitator, Jeremiah O'Leary, he stated: "I would feel deeply mortified to have you or anybody like you vote for me. Since you have access to many disloyal Americans and I have not, I will ask you to convey this message to them." In other statements in answer to the harsh criticism of pro-Germans who disapproved of his stand on the submarine and munitions questions he was equally emphatic, condemning their authors as hyphenated Americans, whose loyalty was questionable and whose support in the

<sup>1</sup> A number of minor parties placed candidates in the field. The Socialist-Labor party nominated Arthur E. Reimer of Massachusetts; the Socialist party, Allan J. Benson of New York, and the Prohibitionists, ex-Governor J. Frank Hanly of Indiana.

campaign was openly repudiated. Although it lost him a few votes, this bold stand proved an effective instrument in winning the support of that large body of Americans who were thoroughly disgusted at the partisan attitude assumed by various racial groups in the United States.

Hughes, who made a number of speaking tours, proved disappointing as a candidate. Acting on the advice of his party managers, he attempted to avoid any offense to the large body of foreign-born voters; but in steering this middle course he created the impression of indefiniteness and vacillation on most of the leading questions at a time when the people demanded a clear statement of policy. Although critical of the President's dealings with Mexico and his failure to force the belligerent powers of Europe to respect American rights, he failed to develop a constructive program to present to the people as a substitute. Furthermore, he was unable to reconcile the Progressives; and by failing, on his visit to San Francisco, to give due recognition to Governor Hiram Johnson, who was then Republican candidate for United States senator, he lost the vote of that state by less than 6000 votes, whereas Johnson carried it in the same election by nearly 300,000. It developed that the vote of either California or Minnesota, in which the vote was very close, would have given the presidency to Hughes. No election since 1876 had been so closely contested in the electoral college. Wilson obtained 277 and Hughes 254 of these votes, while the popular vote stood as follows: Wilson, 9,128,837; Hughes, 8,536,380; Benson, 590,415; Hanly, 221,196; and Reimer, 13,922. In general Hughes carried the East and the Middle West, and Wilson the South and the Far West. The passage of the Adamson Act by the Democratic Congress during the summer of 1916, although decidedly favorable to labor, appeared to have had little influence in attracting labor votes. Wilson was stronger than his party, which, though maintaining control of the Senate by a majority of ten, divided equally with the Republicans the honors in the House, where the balance of power passed into the hands of a small group of independents. On the whole, the results of the election were indecisive.

## CHAPTER XXVI

### THE STRUGGLE FOR NEUTRAL RIGHTS

#### GREAT BRITAIN AND TRADE RESTRICTION

Within a few weeks after the outbreak of the World War, as has been seen, England and her allies were successful in establishing their supremacy on the seas, an advantage which proved of inestimable value to them in view of the fact that the Central Powers had a comparatively small coast line, which could be rather easily blockaded. Furthermore, the resources of their enemies were so limited that the interruption of their access to the markets of the world was a factor of major consideration in the probable outcome of the struggle. Naturally, therefore, one group of powers endeavored to restrict rigidly neutral trade with their antagonists, and the other group insisted on a liberal interpretation of the recognized rules governing blockades and contraband articles. At the same time the neutral nations, the greatest of which was the United States, were in a position to reap enormous profits from trade with the belligerent powers, all of whom needed neutral products and were ready to pay fabulous prices. Thus it was to the interest of neutral countries to maintain this trade with as few interruptions and restrictions as possible. In this particular their policy coincided with the military needs of the Central Powers. Since the burden of the enforcement of trade regulations devolved largely on the English navy, and since the trade involved was for the most part between the United States and Germany, the controversy concerned almost exclusively England, the United States, and Germany.

To begin with, the rules of international law governing questions of this nature were vague and more or less obsolete as a result of changes brought about by the many new instruments

of modern warfare.<sup>1</sup> For instance, contraband articles, which included munitions of war or products intended for military purposes, were originally comparatively limited in number and character. These, according to international practice, were subject to seizure on the way to a belligerent. Since cotton was an important ingredient in the manufacture of high explosives, England, after some hesitation, added it to the contraband list, while Germany and her allies, in whose territory it could not be produced in quantity, insisted that in view of the fact that it had not previously been considered contraband, neutral trade in it should continue unhampered. Many other illustrations of this sort might be given. Furthermore, when Germany, because of the necessity of husbanding her limited resources, brought all foodstuffs under the control of the government, England insisted that this measure "militarized" them, and accordingly added them to the list of contraband articles that were subject to seizure on their way from a neutral port to Germany. Thus the contraband list grew steadily until in time it included the leading articles of trade between the United States and Germany.

Meanwhile commerce which could not be carried on directly between an American port and one in Germany because of the British trade restrictions was directed to one of the European neutral countries,—Holland, Denmark, Norway, or Sweden,—from which it was reshipped to its ultimate destination, namely, Germany. The extent of the commerce of this kind was indicated by the increase in the exportation of products from the United States to these neutral nations during the first year of the war. For example, the shipment of copper to the Scandinavian countries grew from \$7,000,000 to \$35,000,000. Other articles on the British contraband list showed a similar increase. To meet this situation England revived the doctrine of "continuous voyage," which the United States had invoked in the Civil War at a time when British goods were being sent to

<sup>1</sup> In 1909 ten of the great powers in a conference at London attempted to codify maritime law. The Declaration of London, in which the result of their labor was embodied, was ineffective in 1914, however, because it had not been officially approved by the belligerent nations. It is an interesting fact that the British absolute contraband list eventually included forty-two schedules, of which only ten had been authorized by the Declaration of London.

Havana, Nassau, or Mexico and thence to the Confederacy. Union naval vessels seized these cargoes before they reached their ports, and the action was sustained by the Federal Supreme Court and was not overthrown by the Anglo-British Claims Convention after the Civil War. England now began a similar practice in spite of the vigorous protests of the neutral countries and Germany on the grounds not only that it was a violation of international law but that it was being exercised in the interest of English business concerns.

Of a somewhat different character was the policy of bringing neutral ships engaged in trade with Germany and those thought to be carrying products intended for Germany to neutral ports into a British port for an examination of the cargo. This not only occasioned much delay and a consequent financial loss, but was contrary to previous practices. Even more exasperating was the seizure and search of mail taken from neutral vessels because of the light which it might throw on the enemy's military operations.

Against the character of the British blockade, the extension of the contraband list, the doctrine of the continuous voyage, and the seizure and examination of mail taken from American vessels the United States made repeated protests, but the English government refused to discontinue or to alter materially its policy. In the case of each seizure, however, the United States filed a protest and entered claims for damages with a view to future adjudication. The question was, after all, one of property alone; and the British government assured the United States that it would make a full and fair settlement for all legitimate losses incurred. Nevertheless the conduct of the British officials in enforcing trade regulations which in themselves were drastic and often illegal extensions of international practice was unnecessarily arbitrary and disrespectful to the rights of neutrals on the high seas.

Germany watched these developments with intense interest, for the outcome of the war hinged in no small degree on her ability to gain access to the neutral markets of the world. On several occasions she protested against all these modifications of the rights of neutrals by Great Britain and severely arraigned



the United States for the unneutral attitude toward her in, not resisting, even to the extent of war, Britain's departure from the recognized rules of international law. At the same time, Germany's radical practice in maritime warfare of using submarines to sacrifice ruthlessly not only the property but the lives of neutrals caused the excesses of the British to appear mild by contrast.

### THE WAR-MUNITIONS CONTROVERSY WITH GERMANY

In the midst of the controversy with England over the commercial rights of American citizens, which with the passing of time was becoming more and more intensified, occurred a serious dispute between the United States and Germany, with whom relations had been satisfactory during the first few months of the war. From the moment of the collapse of the German drives into France and Russia in 1914, by which Germany hoped to bring the war to a speedy termination, and after the establishment of the English blockade, which had as its objective the complete stoppage of the shipment of contraband articles to her, Germany resolved to retaliate by preventing the shipment of munitions from the United States to the Allies, who were in dire need of them, and by interrupting their trade through the use of submarines. The execution of both these policies aroused the immediate hostility of the government at Washington and of the American public as well to such an extent that this soon overshadowed the controversy with England.

Realizing the importance of preventing the exportation of American munitions to the Allied Powers, Germany endeavored to induce the United States to place an embargo on them. In a communication dated April 4, 1915, the German ambassador, Von Bernstorff, after criticizing the American government for "accepting England's violations of international law," accused it of a breach of neutrality in permitting American industries to supply "only Germany's enemies" with munitions. "If the American people," he declared, "desire to observe the true neutrality, they will find means to stop the exclusive exportation of arms to one side." In this and other memoranda the legal phase of the question was brushed aside and the position

was taken that the sale of munitions to belligerents by civilians of neutral states under existing circumstances worked to the benefit of the combatants on only one side and was therefore unneutral. In reply the United States asserted that the American munitions markets were open to the Central Powers on precisely the same terms as to the Entente Allies; that the United States was in no way responsible for Germany's inability to avail herself of their privileges; that in previous wars in which she had not been a party Germany had followed the course against which she now protested; that the government would be departing from its position of impartiality if it failed to keep American markets open to every nation of the world, belligerent and neutral, on an equal basis; and that to alter the recognized rules of international law in the midst of a great war not only was outside the power of any single nation but, when done in the interest of one of the belligerents, as in this instance, would constitute an actual act of war against the opposing combatants. Secretary Bryan declared in one of his communications that the prevention of contraband from reaching its destination rested not with the neutral country where the material was purchased, but with the belligerent power against whom it was destined to be used — a position the legality of which Von Bernstorff frankly admitted after the termination of the war.

Failing in the attempt to alter the policy of the government at Washington by direct negotiations, the Central Powers resolved to mobilize German-American and Austro-Hungarian sentiment in the United States so as to bring pressure on Congress to place an absolute embargo on the exportation of munitions of war. To direct this propaganda, Dr. Bernhard Dernburg, a former colonial secretary, was sent to the United States. Out of ample funds supplied by the German government and by contributions from American sympathizers the United States was flooded with printed matter defending Germany against the charges of responsibility for the war and of ruthless conduct and emphasizing the "commercial greed" of Great Britain, the "heartless autocracy" of Russia, and the "imperialistic designs" of Japan in the Pacific. Much attention was given to

the laudation of German culture and efficiency. Not only the German-American press but peace societies and various other organizations were given financial and other assistance. Despite the fact that a considerable following was thus obtained, the intensity of the campaign of publicity and the open attempt of the German government through its recognized officials to influence American public sentiment reacted unfavorably against the German cause. Bills introduced in both Houses of Congress to prohibit the exportation of munitions were defeated by substantial majorities, and throughout the country a strong trend in sentiment toward the Allied Powers developed.

The failure of propaganda to bring sufficient pressure to bear on the administration to alter its attitude and on Congress to induce it to take the desired action was followed by a campaign of violence, intended to check the manufacture of munitions and exportation to the Allied Powers. Appeals were made to workmen to stop the war by refusing to work in munition factories, and a network of intrigue was organized by the German and Austrian officials in the United States. Incendiary fires were started in munition plants, time bombs were concealed aboard Allied merchant vessels, passports were forged to allow German reservists to return to Germany, false clearance papers were secured for ships to carry supplies to German raiders at sea, an attempt was made to bring Huerta back to Mexico to organize a new revolution which should involve the United States, and large sums of German money were spent in an effort to purchase munition plants and otherwise to interrupt the flow of munitions across the Atlantic. The complicity of both German and Austro-Hungarian officials in these plots was established beyond doubt during the summer of 1915 through the disclosure of correspondence and the testimony of men who were engaged by them to perform acts of violence. Although Ambassador von Bernstorff was clever enough to disguise his own part in these proceedings, he not only was cognizant of them but gave them such assistance as he could. In concealing his activities the Austrian ambassador, Dr. Constantin Dumba, was less successful. In a letter to his government in August, 1915, he warmly recommended for "favorable consideration"

the adoption of a definite plan for fomenting strikes in the American munition plants. "It is my impression," he said, "that we can disorganize and hold up for months, if not entirely prevent, the manufacture of munitions . . . , which in the opinion of the German attaché is of great importance and amply outweighs the expenditure of money involved." About the same time Captain von Papen, the German military attaché in the United States, remarked in a letter to his wife, "I always say to these idiotic Yankees that they had better hold their tongues." The publication of these and other communications indicated the extent to which both the German and the Austrian government were involved in a widespread movement of intrigue and violence, the consummation of which would involve the loss necessarily of much private property and possibly of many lives as well. President Wilson issued a prompt demand for the recall of Ambassador Dumba; and before the end of the year the German military and naval attachés, Von Papen and Boy-Ed, suffered a similar fate because of their "improper activities." In his annual message to Congress in December, 1915, President Wilson condemned these conspiracies to cripple legitimate American industries and to interrupt the legitimate trade of citizens of the United States, and he openly denounced the "hyphenates" who assisted in these intrigues. "I am sorry to say," he said, "that the gravest threats against our national peace and safety have been uttered within our own borders. They are citizens of the United States . . . who have poured the poison of disloyalty into the very arteries of our national life; who have sought to bring the authority and good name of the Government into contempt, to destroy our industries wherever they thought it effective for their vindictive purposes to strike them, and to debase our policies to the uses of foreign intrigue." In the face of these disclosures and an aroused public sentiment the plots became less frequent and more disguised. Not only did they fail utterly to accomplish the purpose for which they were intended, but they reacted decidedly against the cause of the Central Powers in the United States and proved an important factor in the growth of the movement for preparedness then under discussion.

THE INAUGURATION OF GERMANY'S SUBMARINE POLICY,  
FEBRUARY 4, 1915

Early in the controversy over the placing of an embargo on the shipment of munitions to belligerent powers and the inability of the United States to force England to alter her restrictive policy, the German government resolved on a bold stroke of retaliation. On February 4, 1915, she proclaimed the waters around the British Isles to be a "war zone," in which after February 18 German submarines would sink at sight and without warning "every merchant ship . . . even if it is impossible to avert dangers which threaten the crew and passengers." Neutral vessels were warned not to enter the zone because the frail structure and the limited carrying capacity of the submarines made it not only unsafe but impossible for them to observe the usual custom of providing for the safety of the crews of merchant vessels before destroying the vessels. Furthermore, because of this fact and the practice of enemy merchantmen of disguising their identity by sailing under neutral flags, the possibility of mistaken attacks on neutral ships was very great. Citizens of neutral countries were warned of the dangers which they might encounter either as laborers or as passengers on neutral vessels. Thus the lives of Americans traveling on Allied merchant ships or on ships of their own country were placed in jeopardy in violation of the recognized rules of international law. Not only were the high seas neutral waters, but the privilege of Americans to use them either in their own ships or as passengers on foreign merchantmen of either group of the belligerent powers without danger to their persons was a right which could not be sacrificed except at the cost of national humiliation. The issue at stake differed from that involved in the controversy with England in that it concerned the protection not only of the property and the commercial rights of American citizens but of their lives as well.

Germany frankly admitted the illegality of the submarine order, but justified it as necessary to meet the illegal practices against her and the new conditions created since the rules of war were adopted through the introduction of the submarine as an instrument of warfare. This German counter-stroke against

England was significant in that it presaged the beginning of a war of commercial decrees not unlike that which prevailed during the Napoleonic Wars and which ultimately involved the United States in the struggle. Indeed, before the inauguration of the German submarine attacks on merchantmen both powers had been guilty of many breaches of international law. For example, the main trade routes between the United States and the ports of Great Britain had been strewn with German mines, and England in like manner had attempted to block the entrances to the North Sea, at the same time warning neutral vessels bound for the ports of Holland and the Scandinavian countries to report at the Strait of Dover for sailing charts by which they could steer their courses in such a way as to avoid danger.

PRESIDENT WILSON'S "STRICT ACCOUNTABILITY" NOTE  
TO GERMANY

The American reply to the German war-zone proclamation was prompt and definite. In a communication dated February 10 to the President, through Secretary Bryan, stated succinctly the position of the United States on the question. "It is," he declared, "of course, not necessary to remind the German Government that the sole right of a belligerent in dealing with neutral vessels on the high seas is limited to visit and search unless a blockade is proclaimed and effectively maintained, which the Government does not understand to be proposed in this case. To declare or exercise a right to attack and destroy any vessel entering a prescribed area of the high seas without first determining its belligerent nationality and the contraband character of its cargo would be an act so unprecedented in naval warfare that this Government is reluctant to believe that the Imperial Government of Germany in this case contemplates it as possible." The note then informed Germany that she would be held to "a strict accountability" for the consequences that might follow from the execution of her proposed submarine policy and that the United States would take the steps necessary "to safeguard American lives and property and to secure to American citizens the full enjoyment of their acknowledged

rights on the high seas." The German reply of February 16 to the American note was courteous, but it reaffirmed the necessity of answering "Great Britain's murderous method of naval warfare with sharp counter-measures." Not only did it refuse to withdraw the war-zone proclamation, but it again disclaimed all responsibility for "accidents" to neutral vessels or to citizens of neutral countries in the war zone.

This uncompromising attitude of the German government created a crisis in the relations between the two countries. If Germany persisted in the execution of her program and American lives were lost, as they were certain to be, would the United States take the steps necessary to hold the German government to the "strict accountability" to which the President had referred in his communication of February 10? The answer to this question could be found only in future developments. Meanwhile public sentiment in the United States was sharply divided on the issue. Pro-Germans everywhere condemned the President for what they considered his hasty and unjustified attitude and vigorously supported the conduct of the German government in its effort to defend itself against the "barbarous, inhuman, and illegal" war measures of the Allies; and at the same time patriotic fervor throughout the nation increased as the charges against Germany included a program of ruthless warfare not only on land but also on sea.

The efforts of the American government to avoid an open break with Germany did not end with the refusal of the latter to withdraw her order for opening the submarine campaign against merchant vessels. Colonel E. M. House, whom President Wilson had sent to Europe a few weeks before as his personal representative to study the possibilities of reaching a *modus vivendi* between the warring nations, did what he could to influence the German government, but to no avail. Moreover, on February 20 Secretary Bryan sent identical notes to England and Germany suggesting that the former discontinue her restrictions on the importation of foodstuffs intended for the consumption of the German civilian population and that the latter abandon her submarine campaign. In reply Germany gave a qualified acceptance, but England flatly refused to com-

ply. Indeed, so long as Germany continued to requisition all the food supplies of the nation it would have been impossible for the British in their attempt to prevent contraband from reaching the enemy to distinguish between those foodstuffs intended for the military forces and those intended for the civilians. Furthermore, acceptance by England of the German demands with reference to neutral trade would have been tantamount to a surrender of the advantages which she derived from her supremacy on the seas. The failure of Secretary Bryan's attempt to terminate the "war of retaliatory decrees" was followed by a rather drastic extension of the British restrictive policy with reference both to the direct trade between neutrals and Germany and to that with Holland and the Scandinavian countries, through which goods might easily be reshipped to Germany. Against these new regulations also the government at Washington entered vigorous protests.

#### GERMANY'S WAR ON MERCHANT VESSELS; THE *LUSITANIA*

The intention of the German government to carry out its announced submarine policy regardless of the protests of neutrals and the violation of the customary rules of international warfare was soon evident. Within ten weeks some sixty-three merchant ships, among which were many neutral vessels, including several registered under the flag of the United States, were sunk without warning and with the loss of the lives of more than two hundred noncombatants. In this list were a number of American citizens. While the method by which President Wilson would hold the German government to a "strict accountability" was being discussed by the public and was being considered seriously by the administration, a diplomatic crisis was reached in the relations between the two countries as a result of the deliberate sinking on May 7, 1915, of the giant Cunard (British) passenger vessel, the *Lusitania*, plying between New York and England.

On May 1, the day before the *Lusitania's* departure from New York, the Imperial German Embassy, acting under instructions from Berlin, inserted in American newspapers paid advertise-



ments informing citizens of the United States that it would be dangerous to take passage on British vessels, and a number of persons who were booked for passage on the *Lusitania* were called anonymously on the telephone and were urged to cancel their reservations. This unprecedented violation of diplomatic etiquette was recognized immediately as an insult to America. Even then, however, the intention of the German navy to sink the *Lusitania* without regard for the safety of the 1250 passengers and the 667 men comprising the crew could not be comprehended. Nevertheless, as the vessel neared the coast of Ireland she was struck by a torpedo fired by a German submarine, and in eighteen minutes she sank, carrying with her 1153 men, women, and children, among whom were 114 citizens of the United States. The announcement of this dastardly deed was received throughout Germany with enthusiastic demonstrations of joy equaling those celebrating some great victory on land or sea.

In the United States, however, the "act of piracy," as Roosevelt termed it, caused a wave of anti-German sentiment to sweep across the continent. In the light of the solemn warning of the American government the act amply justified an immediate declaration of war, and thousands of Americans, among whom was ex-President Roosevelt, strongly urged it. The country, however, was ill prepared for war. Furthermore, if it had begun a war in May, 1915, it would not have aroused the unanimity of sentiment necessary to success, and the war would have been one of revenge based on emotions rather than on deliberate judgment and high ideals. Consequently, in the face of great provocation and intense public excitement, President Wilson acted cautiously, for he did not wish to precipitate war until the last resource of diplomacy had been exhausted. In a public address three days after the *Lusitania* catastrophe he declared that America "must be a special example . . . of peace because peace is the healing and elevating influence of the world and strife is not," and that a nation may be so much in the right "that it does not need to convince others by force that it is right." The effectiveness of these statements, however, was destroyed by the chance remark that there is such a thing as a man's being "too proud to fight."

Regardless of the thought that was in the mind of the President the utterance was a reassurance to Germany, while in America it caused the critics of the President to condemn him as a coward who had degraded and humiliated the nation in the eyes of the civilized world.

The President's purpose, however, was definite, for he was firmly resolved to protect the rights of American citizens. In three notes to the German government, dated May 13, June 9, and July 21, he pointedly condemned Germany's method of submarine warfare. In the first of these he stated, "In view of recent acts . . . in violation of American rights on the high seas . . . , it is clearly wise and desirable that the Government of the United States and the Imperial German Government should come to a clear and full understanding as to the grave situation which has resulted." The government of the United States, he continued, would not "omit any word or any act necessary to the performance of its sacred duty of maintaining the rights of the United States and its citizens and of safeguarding their free exercise and enjoyment." The German government was then asked to disavow the acts of its submarine commanders by which American lives had been lost, to make all possible reparation, and to take the necessary steps to prevent their recurrence.

Germany in her reply expressed regret for the loss of American life, but stoutly defended the attack on the *Lusitania* as a legitimate measure of self-defense against the illegal war methods of her enemies. She maintained that the *Lusitania* not only was armed and carried munitions, but was an auxiliary of the British navy. In his second note (which occasioned the resignation of Secretary Bryan, who feared that its strong language might lead to war, for which he did not wish in any way to be responsible) Wilson declared: "Nothing but actual forcible resistance or continued efforts to escape by flight when ordered to stop . . . has ever been held to forfeit the lives of . . . passengers and crews. . . . The sinking of passenger ships involves principles of humanity which throw into the background any special circumstance of detail. . . . The Government of the United States is contending . . . for nothing less high and sacred than the rights of humanity." The "rights of neutrals are based," he said,

"upon principle, not upon expediency, and the principles are immutable. Illegal and inhuman acts . . . are manifestly indefensible when they deprive neutrals of their acknowledged rights, particularly when they violate the right of life itself." In his communication of July 21 he pronounced the German replies unsatisfactory and stated that the repetition of such acts as had resulted in the destruction of the *Lusitania*, when affecting American citizens, would be regarded as "deliberately unfriendly," the usual diplomatic language threatening war. Though Germany made no reply to this pronouncement, it was evident that she did not wish to add the United States at that time to the long list of enemies in arms against her, for her submarines operated for a few months under orders not to sink merchant ships without warning and without making provisions for the safety of the passengers and crews.

At this time President Wilson directed the Secretary of the Navy to prepare a comprehensive plan for placing the navy in a position to defend the nation in the event of war, and he altered his former attitude with reference to the army by participating in a systematic campaign for immediate preparedness (pp. 576-579).

#### THE *SUSSEX* ULTIMATUM; GERMANY'S MODIFICATION OF HER SUBMARINE POLICY

Regardless of the apparent abatement of Germany's submarine warfare and her desire to avoid an open breach in her relations with the United States during the months immediately following the destruction of the *Lusitania*, her attacks on merchant vessels continued — although far less frequently than before — in clear violation of the principles for which the President was contending. Meanwhile the interchange of diplomatic notes, extending over a long period of time, tried the patience of the general public and brought down on the President much ridicule from portions of the American press. Nevertheless, in several instances when American lives were lost by attacks on merchant ships, the apologies of the German government were made, and on September 1, 1915, its definite pledge was given that "liners will not be sunk by our submarines without warning and without

safety of the lives of non-combatants, provided that the liners do not try to escape or offer resistance." This was a decided victory for the policy of the President, presaging a settlement of the controversy without a resort to arms.

During the comparative calm which pervaded the diplomatic intercourse between the two nations during the next few months, public attention in the United States was diverted to the movement for preparedness and to the exposure of the activities of the German and Austrian officials in the United States in their well-formed plans to disorganize American economic life.

A number of incidents occurred early in 1916 to revive the submarine issue. Among these was an unwise attempt made in January by Secretary of State Lansing to induce the representatives of the Allied nations to cease the arming of merchantmen. By this means he hoped to induce Germany to abstain from making attacks on all merchant vessels as well as on passenger liners, which alone had been covered by the pledge of the previous September. Not only did these overtures fail, but the principle on which they were based was repudiated by the President himself on February 10 in his reply to an announcement of the German government (inspired partly by Lansing's note) stating that after February 29 the Germans proposed to regard armed merchantmen of the enemy as auxiliary cruisers and, as such, to sink them without warning. In part the President said that he intended to recognize the well-established right of merchantmen to arm for purposes of defense, and he insisted again that the rules of war could not be altered during an armed conflict to meet the needs of one side in the struggle.

The revelation of Germany's intention to attack armed merchantmen of the Allied powers and of President Wilson's definite stand on the question not only brought about an impasse in the relations between the two nations, but created a situation which might at any time result in the loss of American lives and involve the United States in the war, inasmuch as most of the Allied merchantmen carried guns for defensive purposes and American citizens regularly traveled on them as passengers. In apprehension of this eventuality the pacifists and the pro-German propagandists attacked the position of the President

and, through their adherents in Congress, introduced in the House and the Senate resolutions warning American citizens against traveling on armed merchantmen, and disclaiming all responsibility on the part of the government in case the warning were not heeded. The President met the issue squarely in a number of statements, with the result that the public rallied to his support, and the resolutions were defeated in the House by a vote of 276 to 142 and in the Senate by 68 to 14.

The sinking on March 24 of the unarmed Channel passenger steamer *Sussex*, without warning and with the loss of two American lives, was a clear violation of the German pledge of September, 1915, and of the warning issued in the third *Lusitania* note. It revived the main issue in the submarine controversy in all its seriousness. After making some preliminary inquiries concerning the character of the vessel and the details concerning its destruction, Wilson dispatched a ringing ultimatum to the German government, which he read to Congress in a joint session called for that purpose. In this document he pronounced the attack on the *Sussex* "manifestly indefensible," and concluded with the statement that "unless the Imperial German Government should now immediately declare and effect an abandonment of its present methods of warfare against passenger and freight carrying vessels this Government can have no choice but to sever diplomatic relations with the Government of the German Empire altogether." He emphasized the "principles of humanity as embodied in the law of nations" and declared that while the termination of diplomatic relations would be viewed by the United States with reluctance, the step, if taken, would be "in behalf of humanity and the rights of neutral nations."

Germany's reply of May 4 reaffirmed her previous pledge not to sink merchant vessels "without warning and without saving human lives, unless these ships attempt to escape or offer resistance." It stated, however, that "the German Government . . . must reserve itself complete liberty of decision" and that the orders would be revoked in case the United States did not force Great Britain to mitigate her blockade and her trade regulations. President Wilson waved aside the conditional character of the note of acceptance by informing Germany that his gov-

ernment could not "for a moment entertain, much less discuss, a suggestion that respect by German naval authorities for the rights of citizens of the United States upon the high seas should in any way or in the slightest degree be made contingent upon the conduct of any other Government affecting the rights of neutrals and noncombatants." The failure of Germany to reply to this declaration was regarded as evidence of its acceptance. War, which seemed imminent, was thus temporarily avoided. Meanwhile the task of placing the United States in a better state of preparedness went on, while Germany on her part hastily added to the strength of her submarines, the weakness of which in the spring of 1916 is generally recognized today as the real reason for her concessions in the *Sussex* case. She was merely biding her time.<sup>1</sup>

#### PRESIDENT WILSON'S INTERNATIONAL IDEALISM

The pledge given by the German government as a result of President Wilson's ultimatum in the *Sussex* case was kept during the autumn of 1916, although a number of passenger vessels were destroyed under circumstances that led to investigations on the part of the United States and apologies on that of Germany. The feeling was general, however, that the extremist faction in Berlin might gain control at any time, withdraw the *Sussex* pledge, and renew the submarine warfare against merchant vessels. Meanwhile the temper of Americans was being continually tried, and their apprehension of impending danger increased from day to day. The attacks made by a German submarine on enemy vessels off the American coast, the deportation of Belgian civilians to work in German munitions plants, and the intrigues and plots of German officials and agents in

<sup>1</sup> Despite criticism of Wilson's "ineffective correspondence" with Germany on the submarine issue, the fact was that the protests of the United States had actually dominated the German Imperial Government to the extent of forcing the abandonment of the German U-boat campaign as originally planned. Admiral von Tirpitz of the German navy, the chief exponent of ruthless submarine warfare, who characterized the *Sussex* ultimatum as "the well-known American bullying Note," admitted that the resultant enforced order of the German Imperial Government was in reality a "practically complete cessation of all employment of submarines."

the United States all added to the feeling of uncertainty that pervaded the nation.

At the same time the program for providing a more adequate military organization for the defense of the country was in progress, and the President was developing his international ideals. As has been seen, in 1916 he rejected definitely the doctrine of isolation. On May 27, in an address before the League to Enforce Peace, he declared: "We are participants, whether we will or not, in the life of the world. The interests of all nations are our own also. We are partners with the rest. What affects mankind is inevitably our affair as well as the affair of the nations of Europe and Asia." Instead of limiting his aims to the championship of neutral and human rights, as in his previous utterances, he demanded a system that would protect the rights of all people in time of peace. The gist of his program is found in his advocacy of the right of every people to "choose the sovereignty under which they shall live," the right of small nations to "enjoy the same respect for their sovereignty and for their territorial integrity that great and powerful nations expect and insist upon," and the right of the world to "be free from every disturbance of its peace that has its origin in aggression and disregard of the rights of peoples and nations."

To attain these aims he came to advocate the inauguration of an international system based on coöperation similar to that embodied in the principles of the League to Enforce Peace, of which Taft was president. Indeed, his thoughts were more and more directed to methods by which a permanent peace could be established, and on the ideas which he formed in 1916 his foreign policy until the end of the Peace Conference, three years later, was largely based. His unselfish idealism for his country in the furtherance of his program of internationalism he asserted repeatedly. "We have nothing material of any kind to ask for ourselves," he said, "and we are quite aware that we are in no sense or degree parties to the present quarrel. Our interest is only in peace and its future guarantees." He continued by saying that the very position of the United States among the democracies of the world, however, imposed on her grave responsibilities not only of being "in truth real democrats" but also of manifesting

a willingness to act as "servants of mankind." In a later address he expressed the need for a clear definition of the part the United States was going to play in the world. "It is very important," he declared, "that the statesmen of the other parts of the world should understand America. . . . We are holding off, not because we do not feel concerned, but because when we exert the force of this nation we want to know what we are exerting it for. . . . Let us once be convinced that we are called in to a great combination to fight for the rights of mankind and America will unite her force and spill her blood for the great things which she has always believed in and followed." In these and many other utterances of 1916 he made it clear not only that America might enter the conflict, but that in case she did she would do so, without greed or vindictiveness, for the defense of certain well-defined ideals.

#### THE PEACE OVERTURES OF DECEMBER, 1916

After the presidential election of 1916 President Wilson decided to make a special effort to induce the contending powers in the World War to state clearly their objectives, with the ostensible purpose of paving the way for negotiations for peace. As a matter of fact, upon the outbreak of the war in 1914 he had tendered his good offices in behalf of peace; and although he obtained at that time only formal acknowledgments to his overtures, he had believed that eventually he should have the good fortune to be of service in bringing the war to a termination. On a number of occasions during 1916 he had planned to address the powers on the questions of peace and of his own international aims, but in each instance some turn in the progress of the war brought about a postponement. Toward the end of the year, however, he became convinced that unless a speedy peace could be obtained the extremist group in Berlin would be successful in forcing the government to resume the unrestricted submarine warfare, which was almost certain to involve the United States in the conflict.

On December 12, while his plans were being put into their final form for presentation, his action was purposely anticipated



by Germany's unexpected proposal to the Allies that they assemble in conference for a discussion of terms of peace. The occasion was indeed propitious for her. Not one foot of her territory was held by the enemy; and though the western battle line, extending far into Belgium and France, had not changed to any extent during the heavy fighting of the year, her forces had won decisive victories in the East, where her lines now embraced most of Poland, the whole of Serbia, and, as a result of recent victories in Rumania, practically all the territory of that kingdom. Furthermore, if Germany's overtures, whatever her terms of peace, should be rejected, as seemed reasonably certain, that fact would tend to strengthen the waning morale of the German people and to win for the government their support of its contemplated unrestricted submarine program even though it might bring the United States into the war against her. All these circumstances were appreciated by President Wilson, who, regardless of the action of the German government in behalf of peace, dispatched, on December 18, notes to all the nations at war asking that "an early occasion be sought to call out from all nations now at war such an avowal of their respective views as to terms upon which the war might be concluded . . . as would make it possible frankly to compare them." He pointed out that the objectives of both groups of nations were "virtually the same" if their declarations "to their own people and to the world" were sincere, and that the United States was "as vitally and as directly interested" as the belligerents in the measures to secure the future peace of the world. He emphasized the irreparable injury to civilization that might result from the continuance of the conflict and expressed his hope that out of the peace conference "a concert of nations" might become "immediately practicable."

In her reply of December 26 Germany parried the main question by the simple suggestion that delegates of the belligerent powers should assemble for the exchange of views. In her secret note to President Wilson of the following month, however, she demonstrated clearly her intention of exacting such concessions from her foes as would secure her dominance on the Continent. The answer of the Entente to Wilson's proposal was a flat

refusal to discuss terms of peace until Germany should express her willingness to offer "complete restitution, full reparations, and effectual guarantees."

Notwithstanding the failure of these efforts toward peace, the political atmosphere had been considerably cleared. To add further definiteness, President Wilson in a speech to the Senate the following month took occasion to inform the world of the aims of the United States in case she should be drawn into the struggle, discussing more fully than before his program for international coöperation. Despite the unfortunate phrase "peace without victory," used in connection with the terms under which the existing war should be brought to an end, this address was generally applauded in the United States as well as in liberal circles in the Allied countries as "a noble charter of the new international order."

#### UNRESTRICTED SUBMARINE WARFARE, FEBRUARY 1, 1917

With the failure of the peace overtures of December, 1916, the military chieftains in Berlin succeeded in persuading the Kaiser and Chancellor Bethmann-Hollweg that the policy of unrestricted submarine warfare which they had been advocating for months could bring the war to a speedy termination<sup>1</sup> regardless of any attitude which the United States might assume. Previously the sub-sea craft had been so limited in numbers and so hampered in their operations by the rules of international warfare, which they had been forced to observe after a fashion, that the volume of British foreign trade had not been diminished appreciably, although several million tons of shipping had been destroyed. During 1916, however, the German naval com-

<sup>1</sup> In a memorandum of December 22, 1916 ("strictly secret"), the German naval chief of staff stated: "I do not hesitate to declare that, under the prevailing conditions, we may force England into peace within five months through the unrestricted U-boat war. However, this can only be achieved by the unrestricted U-boat war, not by the U-boat cruising as practiced at present, and not even if all armed vessels were free to be sunk. . . . A further condition is that the declaration and commencement of the unrestricted U-boat warfare should be simultaneous, so that there is no time for negotiations, especially between England and the neutrals. Only on these conditions will the enemy and neutrals be inspired alike with 'holy' terror."

manders had devoted themselves assiduously to the construction of a great fleet of submarines, so that by the end of the year they were thoroughly convinced that a few weeks of unrestricted warfare would enable them to drive British commerce from the sea, to block effectually the flow of munitions, and to starve England into submission. With the elimination of England, the strength of France and her allies could be easily overcome.

Thus, prompted by these strong assurances, the authorities in Berlin decided to cast aside all considerations of humanity and the pledges to the United States in a desperate effort to terminate the war during the early months of 1917. On January 16 the Kaiser telegraphed to Von Bernstorff at Washington, "If a break with America is unavoidable, it cannot be helped; we proceed." Three days later the Secretary of Foreign Affairs, Zimmermann, sent a message to the German minister in Mexico informing him of the plan to resume ruthless submarine warfare. In the event of America's entrance into the war the latter was instructed to form an alliance with Mexico, promising her as a reward the cession of Texas, New Mexico, and Arizona. He was authorized further to ask Mexico to "communicate with Japan suggesting adherence at once to this plan; at the same time [to] offer to mediate between Germany and Japan." As this document soon fell into the hands of the authorities at Washington, its publication removed any possibility of doubt in the minds of most Americans as to the character of the German rulers and their hostile intentions in regard to the United States. Aside from all other matters, this outrageous letter was in itself a cause for war.

On January 31 Von Bernstorff delivered a memorandum from his government stating that the Central Powers would be forced to fight for their very existence with all the weapons at their disposal and that, beginning the following day, German U-boats would sink on sight all neutral and belligerent ships found in a defined zone around the British Isles and in the Mediterranean. It allowed one American passenger vessel to enter the port of Falmouth, England, each week, provided that the United States guarantee that it carry no article in the German contraband list, that the ship arrive and depart from Falmouth on stated

days, and that the hull and superstructure of the vessel be painted in gaudy stripes according to certain specifications. No pretense was to be made of observing the customary rules of international warfare with reference to belligerent and neutral merchant vessels. Warfare was to be ruthless and unhampered.

Wilson acted without hesitation, formally dismissing Von Bernstorff on February 3 and recalling James W. Gerard, the American ambassador at Berlin. Indeed, in view of the President's ultimatum in the *Sussex* case and the definiteness of Germany's defiance, no other course was possible. In the announcement of his action in the matter to Congress, he stated, "If American ships and American lives should in fact be sacrificed . . . in heedless contravention of the just and reasonable understandings of international law and the obvious dictates of humanity, I shall take the liberty of coming again before Congress to ask that authority be given me to use any means that may be necessary for the protection of our seamen and our people in the prosecution of their peaceful and legitimate errands on the high seas." In conclusion he said, "God grant we may not be challenged to defend them [American rights] by acts of willful injustice on the part of the Government of Germany."

#### THE ARMING OF AMERICAN MERCHANT SHIPS

With America's severance of diplomatic relations with Germany following the inauguration of the latter's ruthless U-boat campaign, the two nations were brought to the verge of war, an eventuality which could scarcely be avoided if Germany persisted in her policy. To prevent this "calamity" the peace organizations redoubled their activities in behalf of peace. Complying with the urgent request of W. J. Bryan, "Wire immediately to the President, your Senators and your Congressmen. A few cents now may save many dollars in taxation and possibly a son," literally thousands sent telegrams to Washington, and delegations of pacifists journeyed to the national capital to wait upon the President and congressmen. Within a few days, however, the sentiment of the people as expressed through the press, resolutions of organizations of various kinds, and public utterances

demonstrated the fact that the mass of the people heartily approved of the President's action.

Germany proceeded heedlessly with her program, confident that a decision with her enemies could be attained before America in her state of unpreparedness could interfere with her plans. Indeed, in contrast to her former attempts, she now had forces sufficient to carry out her undertaking. It became evident at once that the submarines, when operated without regard for the lives of the passengers and crews, were the most formidable destroyers of commerce that the world had ever known. During the months of February and March they sent to the bottom scores of vessels, among which were eight American ships on which forty-eight American citizens lost their lives. Shipping was paralyzed, and merchant vessels hesitated to enter the "war zone" unless protected by war vessels and given the privilege of arming themselves for defense, a concession which they asked the government to grant them. To meet this emergency the President on February 26 asked Congress for specific powers to provide for the defense of merchant ships. The House acted quickly, and on March 1 passed the Armed Ship Bill by a vote of 403 to 13. In the Senate, however, twelve men, whom the President characterized as the "little group of willful men," prevented a vote on the bill by filibustering tactics until the session ended on March 4. After the failure of the Armed Ship Bill the Attorney-General found adequate authority for action in existing legislation. Accordingly the President ordered guns with gunners' crews from the navy to be installed on American merchant ships bound for European waters.

#### THE DECLARATION OF WAR AGAINST GERMANY

Crucial events followed rapidly one after the other. American vessels continued to be sunk without warning and with loss of life. On April 2 President Wilson, in possibly the greatest speech of his life, delivered before a special session of Congress, asked that body to "declare the recent course of the Imperial German Government to be in fact nothing less than war against the government and people of the United States. . . . Our motives,"

he continued, "will not be revenge or the victorious assertion of the physical might of the nation, but only the vindication of right, of human right, of which we are only a single champion. . . . It is a fearful thing to lead this great peaceful people into war, into the most terrible and disastrous of all wars, civilization itself seeming to be in the balance. But the right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts — for democracy, for the right of those who submit to authority to have a voice in their own government, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world at last free. . . . The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty."

Congress responded readily to the recommendations of the President. On April 4 the Senate, by a vote of 82 to 6, and on April 6 the House, by a vote of 373 to 50, passed a war resolution which was followed immediately by a presidential proclamation declaring the existence of a state of war with Germany. No declaration of war was made against the Austro-Hungarian Monarchy until December 7, 1917; and with their two allies, Bulgaria and Turkey, the United States maintained an outward peace during the entire war.

In common with the President the people as a whole looked upon the conflict as a crusade, on which they embarked with a greater unanimity of sentiment than on any previous war in the history of the nation.

## CHAPTER XXVII

### MOBILIZATION OF THE NATION'S RESOURCES

#### EARLY WAR OBJECTIVES OF THE UNITED STATES

When the United States entered the World War in April, 1917, few persons in America appreciated the extent to which the Allied Powers had spent their strength and the justification of the Germans for their belief that within a few months their enemies would be completely subdued and the struggle brought to an end. Before 1917 the Allies had lost more than 7,000,000 dead-weight tons of shipping, to which were to be added 9,500,000 more tons before the end of another year. So serious were these losses that the British Chief of Naval Staff, Jellicoe, informed his countrymen that means must be found for combating successfully the ravages of the German submarines or the Allies would soon be defeated. At the same time the character of the Russian revolution, which broke out in March, 1917, and culminated in the dethronement of Czar Nicholas II and the establishment of a liberal constitutional government, was little understood. Both England and America believed that Russia would be strengthened rather than weakened by the elimination of the Czar. The United States quickly sent her congratulations to the provisional government through a special mission headed by Elihu Root, who, accompanied by a large corps of specialists in the fields of industry and war, journeyed to St. Petersburg to offer the services of the United States to the new régime. During the following December, however, the new Russian government passed into the hands of the Communists under the leadership of Lenin and Trotzky, who immediately opened negotiations for a separate peace with the Central Powers. Meanwhile Italy suffered severe reverses from an Austro-German offensive and was able to avoid a complete collapse of her military strength only through the timely assistance of her allies. On the Western Front the

outlook was equally discouraging. Instead of the Entente Allies' having any chance to "inflict a decisive defeat" in 1917, as they had anticipated at the beginning of the year, the facts had forced them to perceive by early summer that they themselves faced defeat. Furthermore, the menace of the U-boat campaign, which had upset their whole strategy on the seas, had depressed and discouraged both the military and the civilian population, and their financial and other domestic problems had become a grave anxiety.

At the time of the entrance of the United States into the war the nature of her participation was uncertain. Not only did the nation lack an army of sufficient size to be of any consequence in the struggle, but many months would be required to raise, equip, and train one. This done, its use to the Allies would be dependent on facilities for its transportation to the battle line, more than three thousand miles distant, a contingency which few indeed regarded as within the realm of possibility. Hence the belief was well-nigh universal at first that the most effective method of coöperation lay in supplying the Allied Powers with ample funds, with shipping to replace the losses inflicted by submarines, with food, and with munitions, and in using the navy to the limit of its ability to assist in curbing the ravages of the submarines. Soon after America's declaration of war Allied civil and military commissions headed by Balfour, Joffre, and Viviani arrived in Washington to present the dangers that confronted the Entente and to discuss ways and means by which the United States could be of greatest assistance in exerting pressure against their common enemies. Though the real objective of both missions was to obtain financial aid, Marshal Joffre pleaded for the early dispatch of "a regiment or perhaps even a division which could appear on the front with the American flag and arouse afresh the enthusiasm of the Allied soldiers," whose morale was at an exceedingly low ebb. The lack of confidence in the ability of the United States to place a large army in France was indicated by the remark of Marshal Joffre to Secretary Baker in offering certain facilities in France to the first American troops. These, he said, would be ample for their needs until "you are ready to send over your great army, per-



haps 500,000 men." The arguments of these commissioners resulted in the decision to send General J. J. Pershing with some 2000 men to France at the earliest possible date to study the situation and to report to his government plans for actual military coöperation. This force was sent in May and was followed in June and July by sufficient additional troops to make up a division of about 28,000 men. Meanwhile a naval contingent was dispatched to European waters to assist the Allied naval forces.

### ENTHUSIASTIC POPULAR SUPPORT OF THE WAR

While plans were being matured for the establishment of an effective army and navy, the people throughout the United States displayed a marked degree of self-sacrifice and patriotism. Associations and organizations of every kind coöperated in the great national effort. Men in all walks of life hastened to offer their services, the wealthy along with the humble. Labor, which assumed unprecedented importance in the war, gave the government unstinted support, regardless of the opportunity to exploit the war for its own benefit. Indeed, the demands made upon the labor market from the beginning were heavy, for the enlistment of an army of four million men created an inevitable shortage at the very moment when every effort was being made to increase production. The growing demand for commodities of every kind brought about a rapid advance in prices, which affected the purchasing power of wages and thus furnished opportunities for industrial disputes, strikes, and the complete stoppage of production. In anticipation of this eventuality the government early in 1917 announced that standards of labor should not be allowed to suffer from the war, and labor on its part agreed to settle disputes when possible without interruption of work. Samuel Gompers, president of the American Federation of Labor, was appointed as one of the civilian members of the Council of National Defense, and throughout the war used his powerful influence in behalf of industrial peace. In January, 1918, the Department of Labor attempted to formulate and administer a war labor policy, and later the National Industrial Conference Board and the American Federation of Labor, repre-

senting capital and labor, prepared a program for the adjustment of the increasing number of labor disputes. On April 9, in compliance with their recommendation, President Wilson appointed a National War Labor Board under the joint chairmanship of ex-President Taft and Frank P. Walsh to sit as a final court of appeal in labor disputes. Other measures were taken by the government to eliminate confusion and standardize conditions of labor. Consequently comparative peace prevailed between labor and capital during the entire period of the war. In the limited number of instances when groups of laborers refused to accept the decisions of the National War Labor Board, either the President induced the men to alter their attitude or the government took over the plant. In the latter event the men were subject to criminal prosecution in case they refused to continue their labor.

Congress displayed an equal degree of disinterested patriotism. For the time being party lines were obliterated, and Democrats and Republicans alike pledged their support to the President, whose immense powers as commander in chief of the army and navy were augmented by Congress in a series of acts making him virtual dictator over civil as well as military matters. Indeed, from the very beginning the necessity for a drastic centralization of the industrial as well as the military affairs of the government was evident. "This isn't one man's war," declared Secretary Baker, "or several men's war, or an army's war, but it is a war of all the people of the United States." And President Wilson asserted with equal forcefulness: "It is not an army that we must shape and train for war — it is a Nation. To this end our people must draw close in one compact front against a common foe. . . . The whole Nation must be a team, in which each man shall play the part for which he is best fitted." In this spirit both the President and Congress went about the difficult task of transforming the country from a peace to a war basis.

Since the successful organization of the national resources to supply military demands depended in the last analysis on the education of the people to a desire for service and sacrifice, President Wilson in April, 1917, created a Committee on Public Information consisting of the Secretaries of State, War, and

Navy, with George Creel, a journalist, as chairman, with the ostensible purpose of disseminating news of the war activities of the government. Through a daily newspaper, the *Official Bulletin*, the facts released at Washington were reprinted and circulated throughout the country. In time this became a large organization, which issued millions of pamphlets, prepared films, organized patriotic societies, employed public speakers, and established press agencies in neutral and Allied countries for the purpose of emphasizing the issues and objectives of the war. Although this and other governmental agencies which attempted to influence and control public opinion were subjected at times to severe criticism, the fact is indisputable that they were not only of inestimable value in reducing to a minimum opposition to the government's war program but of great help in the successful execution of the Liberty Loan campaigns, the food and fuel administration, the coöperation of labor and industries with the government, and the enforcement of the Selective Service Act. Satisfactory results were possible because to a greater extent than in any previous war the people as a whole were informed about the causes and objectives for which they were making tremendous sacrifices in lives and money.

### INDUSTRIAL MOBILIZATION

The mobilization of the national resources for war purposes paralleled and in some instances preceded that of the man power. In fact, the foundation for this work had been well laid when Congress enacted in June, 1916, the National Defense Act and created in a subsequent measure the Council of National Defense (pp. 580-582) to coördinate the "industries and resources for the national security and welfare." The council's task was to bring together the industries of the country so that the materials needed by the various military branches of the government might be produced in sufficient quantities and at the times needed, and that labor and raw materials should not be wasted on goods which would not contribute to military success. Though six cabinet members had seats in this body, the actual work of coördination devolved largely on the Advisory Commission com-

posed of seven civilian members: Howard E. Coffin in charge of munitions, Daniel Willard in charge of transportation, Julius Rosenwald in charge of supplies (including clothing), Bernard M. Baruch in charge of metals, minerals, and raw materials, Samuel Gompers in charge of labor and the welfare of workers, Hollis Godfrey in charge of engineering and education, and Franklin H. Martin in charge of medicine. This Advisory Commission prepared an elaborate program, which was executed through a vast network of committees and technical boards. The assistance of business leaders of all kinds was obtained, a large group of scientific experts was employed, and experience and brains in all fields were utilized.

Of the numerous committees of the council, that on munitions, which in July, 1917, developed into the War Industries Board, was by far the most influential. In time it absorbed most of the functions of the council which were not transferred to other agencies of the government. Among its many activities it served as a clearing house for the scores of army, navy, and other departments of the government that were large purchasers of materials in the open markets. Not only did it eliminate much competition, with the resultant increased costs, but it concentrated and standardized buying. Furthermore, through the enormous powers conferred on the Board by congressional and presidential authorization it did much to stimulate those industries essential to the war needs. At the same time, through its control of governmental contracts and priority rights it brought under its immediate influence practically every business establishment in the country. The leaders in each of the essential industries were interviewed with the object of determining their resources and needs and the degree of preference to which each industry was entitled. As a result of the information thus obtained, some were especially favored while others were materially curtailed in their activities. At the same time special committees of the Board made studies of industrial conditions, such as costs of production, and recommended the prices that should be charged for various commodities. In this way a degree of stabilization was obtained and profiteering was discouraged.

The growing needs of the United States and the powers

associated with her in the war strained the resources of the country in every direction. The situation was complicated by the demand for capital to be lent directly to the government in the form of Liberty Bonds at just the time when the new war industries needed large issues of commercial credit. To meet this emergency the Federal Reserve Banks, acting through the affiliated banks, endeavored to discourage the granting of credit for purposes not connected with the war; and in April, 1918, Congress authorized the Treasury Department to create a War Finance Corporation with a capital stock of \$500,000,000 with the right to sell bonds to raise additional capital to lend through the banks to approved war industries. Thus the war program was speeded up materially, and the grip of the government on industry and finance was tightened further.

#### THE REGULATION OF FOREIGN TRADE

Closely associated with the war policy of controlling and directing the industrial life of the nation was the necessity for the government to regulate foreign trade. Indeed, without this it would have been difficult, if not impossible, to economize tonnage and to conserve essential products for the use of the United States. The Espionage Act of June, 1917, in addition to conferring on the President certain powers of censorship, vested him with authority to control the export of commodities needed by either the United States or the Allied Powers. The law was to be administered by a War Trade Board, to the chairmanship of which the President named Vance C. McCormick. The following October, in the Trading with the Enemy Act, the jurisdiction of this board was extended to all import trade. By one provision this measure created the office of Alien Property Custodian, among whose duties was the curtailing of enemy trade. Within a few months this official took over enemy property in the United States to the value of \$700,000,000, which he held as a trustee and either invested in bonds or assigned to American citizens to be handled under stated conditions. Its eventual disposition was to be determined by Congress. Though the policy of the government was to lay as few restrictions as possible on neutral

trade, a large list of articles that might be of use either to the United States or to her allies was placed in a prohibited list. As a means of preventing indirect trade with the enemy essential articles, such as coal, were denied neutral vessels in American ports until they gave the governmental authorities satisfactory proof that no part of the cargo was intended for transshipment.

The regular import and export trade was regulated through a system of licenses which were granted by the War Trade Board only after investigation of the character of the shipment and its destination or source. In dispensing these a careful differentiation was made between essential and nonessential articles. Furthermore, by withholding trade privileges from neutrals until certain concessions were made the United States brought that trade under the strict surveillance of the government and reduced indirect trade with the enemy to a minimum.

#### CONSERVATION OF FOOD AND FUEL

The same spirit of coöperation that labor and capital manifested in response to the government's need was shown also by the mass of the people in connection with the conservation and the production of food. The exhausted condition of the food supplies among the Allies and the size of the army which the United States decided to place in the field caused a food crisis to arise in 1917. Even in times of peace England and France imported large quantities of foodstuffs. Therefore, when the ravages of the submarines reduced the volume of shipping to a point where the length of the voyage and the scarcity of ships made it difficult to secure the surplus crops of Argentina and Australia, and when the grain area of southern Russia was cut off by the enemy's control of the Dardanelles, both England and France were threatened with starvation and eventual capitulation. Hence, during the first months after America's entrance into the war the view was prevalent everywhere that the United States could be of greatest assistance to the Allies by supplying them with food and other necessities. "Food will win the war" became a popular slogan. The problem was complicated, however, for not only was the food supply in the United States at

the lowest ebb in several years, but the task of apportioning the supply among the armed forces, the people of the United States, and those of the Entente Allies was indeed a colossal undertaking.

President Wilson appreciated fully the seriousness of the situation. Within a few days after the declaration of war he issued an appeal to the people to "turn in hosts to the farms" and "help solve the problem of feeding the nations." A little later he appointed Herbert Hoover, whose work in connection with Allied and Belgian relief had won the admiration of the entire world, voluntary food controller with "full authority to take any steps to mobilize the forces of the country in saving food and eliminating waste." Hoover soon perfected an elaborate organization through which he instituted a campaign of economy and increased production. However, though the people responded with surprising unanimity to every request that he made, he lacked the necessary authority to enforce his program in cases of need. To meet this emergency Congress, after nearly five months of debate, enacted in August, 1917, the Lever Food and Fuel Act, which granted the President dictatorial powers over food and fuel. Among other things, this measure vested in him authority to fix prices, regulate distribution, buy, store, and sell fuel, grain, and vegetables, and compel individuals or corporations engaged in producing or handling foods and fuels to take out licenses. Under the provisions of this act the President named Hoover as Food Administrator with practically unlimited powers.

As a means of stimulating the production of wheat the price of \$2.20 a bushel was guaranteed and measures were taken to prevent extortionate charges and the hoarding of other food products. The result was an increase in the acreage of wheat of about 12 per cent, and corresponding increases in other commodities, including live stock, were obtained. Some two million "war gardens" over and above gardens already in existence were planted in the spring of 1918. Hoover's work in the direction of economy and conservation was equally successful. At his request the entire nation observed "wheatless" and "meatless" days, and through the system of licenses he reduced profiteering in food-stuffs to a minimum. The net result of these efforts was satis-

factory beyond all expectations. Thus the food crisis was averted. Not only were the demands in the United States fully met, but the shipments abroad were doubled, reaching in 1918 the value of \$2,000,000,000. In less than two years the control of commodities had been changed from voluntary agreements to a strict licensing system, which became so effective that at the end of 1918 over two hundred and sixty thousand firms, individuals, and corporations were under license.

As a result of a pronounced shortage in fuels with which to transform raw materials into manufactured articles and to transport them to places where they were most needed, the increased production and the conservation of coal became a war necessity. Though the Council of National Defense had attempted to stimulate production and to improve the means of transportation, comparatively little had been accomplished at the time of the passage of the Lever Food and Fuel Act in August, 1917. Under the provisions of this measure President Wilson appointed Harry A. Garfield, president of Williams College, as Fuel Administrator, vesting in him the dictatorial powers embodied in the legislation. The fuel problem was especially involved because of its dependence on the railroads to furnish quick and adequate transportation. Partly because of the shortage of coal cars and partly because of the absence of a centralized control of the railroad companies, a coal famine developed during the winter of 1917-1918, the intensity of which was augmented by the severity of the winter. In many cities the coal supply was so low that suffering was general, and factories and ships engaged in the manufacture and transportation of products essential to the needs of the military establishment were greatly hampered. To meet this situation the government in December, 1917, took over the management of the railroads, and the Fuel Administrator issued many drastic regulations, among which were the closing of all factories east of the Mississippi River for five days and for a series of Mondays, the closing of places of amusement and nonessential industries, and the institution of "heatless Mondays" and "daylight saving" for the public in general. An increase in the price of coal, together with a corresponding advance in wages, supplied the needed stimulus for the whole-



hearted coöperation of both laborers and operators. Meanwhile the problem of transportation was largely solved, with the result that the coal famine soon disappeared and the needs of both the public and the industries were supplied.

The shortage of oil, on which many ocean vessels were dependent for fuel, brought the cable from Marshal Joffre, "If you don't keep up your petrol supply we shall lose the war." This caused Congress in January, 1918, to place the control of oil also under the jurisdiction of the Fuel Administrator. He followed the same procedure as in the case of coal, instituted "gas-less Sundays," and took effective measures to increase production and to conserve the existing supply.

### THE NATIONALIZATION OF THE RAILROADS

As the plans for the mobilization of the nation's industrial life progressed, it became evident that the success of the entire war program depended on the ability of the transportation facilities to meet the new demands placed on them. During the summer of 1917 manufacturing establishments readjusted their plants for the production of war supplies, ships, guns, explosives, airplanes, uniforms, and thousands of other items needed by the armed forces then being assembled on an immense scale. As the supplies necessary for these readjustments, together with the increased output of coal and manufactured articles, began to be presented in quantity for transportation during the autumn of 1917, confusion and breakdown were prevalent in all the leading terminal centers and ports, where congestion delayed shipments of both raw materials and finished products with the consequent shutting down or retarding of production in many plants.

Even in the pre-war period the railroads had been scarcely able to handle efficiently the regular peace-time business, and with few exceptions their equipment was in bad repair. Furthermore, for a period of over a decade the campaign for the governmental regulation of the common carriers had created an atmosphere of uncertainty in the railroad business and had discouraged the investment of additional capital. Indeed, as a result of hostile legislation, the margin of profit in the operation

of railroads had become too small to admit of extensive improvements in the service; and the Adamson Act of 1916 shouldered on them an enormous financial burden in the form of increased wages without providing extra revenue to meet it.

Immediately after America's declaration of war against Germany the American Railway Association offered the entire railway system of the country for the furtherance of the war needs of the government; and through the Railroad War Board, created by the Council of National Defense, all the roads were brought under one system of operation without reference to their ownership. By the end of the year, however, when the congestion of traffic was at its worst (for much of which the private railway corporations were in no way responsible) and when the railways were faced with a demand for a 40 per cent increase in the wages of trainmen to meet the rising costs of living, the public became convinced that private management had broken down and that governmental operation had become imperative. Indeed, the Army Act of 1916 had vested in the President ample authority for this procedure, and legislation enacted during the summer of 1917 legalizing the control of priorities and shipments and the placing of the power to regulate the rolling stock of the roads in the hands of the Interstate Commerce Commission had paved the way for this action. Consequently on December 26, 1917, President Wilson assumed jurisdiction over the 2905 companies with their 397,014 miles of track, and appointed the Secretary of the Treasury, W. G. McAdoo, Director-General of the United States Railway Administration.

Thenceforth, until the end of the war, all the railways of the country were operated as a single system, though for the most part former employees were retained in the service. Both the system of compensation and the schedule of rates were revised drastically, and in time the new measures of coördination resulted in the elimination of the worst features of the former competitive system. By May, 1918, the movement of freight was proceeding in a fairly satisfactory manner, and during the remainder of the war neither the industrial need of the country nor the war program of the government was hampered materially by inadequate transportation.

## THE CONSTRUCTION OF THE EMERGENCY MERCHANT MARINE

With the consummation of the government's stupendous program of construction, the raising of an enormous army intended for oversea service, and the monthly destruction of Allied ships sunk by German submarines, there developed an unceasing call for ocean-going tonnage. Indeed, food, war materials, and an army could be of little use without ships to transport them across the Atlantic. Immediately after the declaration of war against Germany the seriousness of the military situation and the belief that "ships would win the war" caused the government to double its efforts for the creation of a merchant marine. As a matter of fact, the foundation for future action had been laid in 1916, when the Emergency Fleet Corporation was established as an adjunct to the United States Shipping Board for the "purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the commerce of the United States." During the summer of 1917 this body formulated a plan for the construction of some 10,000,000 tons of merchant ships and asked Congress for an appropriation of \$1,134,500,000 in addition to the \$800,000,000 previously authorized. Funds were made available immediately, and the work of building new yards and of collecting trained workmen began. In the spring of 1918 Charles M. Schwab of the Bethlehem Steel Company was placed in charge of the work as Director-General of the Emergency Fleet Corporation; this action gave to the program a tremendous impetus which had been conspicuously lacking because of friction in the administrative organization. By the middle of the summer ships were being turned out of the government's yards in rapid succession. In one of the yards on the Great Lakes a 5500-ton steel freighter was launched seventeen days after the keel was laid, and seventeen days later it was delivered ready for service. The new ships were standardized and were built on a "fabricated" system; in other words, the various parts were manufactured in different factories and were assembled at the shipyards. These shipbuilding projects of the Emergency Fleet Corporation engaged the labor of 350,000 men, the recruiting of whom was a notable achievement in itself.

In addition to the vessels actually constructed by the government, all steel vessels of 2500 dead-weight tons which were under construction in private yards were requisitioned, August 3, 1917; and during October all passenger and freight ships of a tonnage exceeding 2500 were commandeered. By this action alone 408 vessels, or more than 2,600,000 tons, were added to the government's merchant fleet. On the day war was declared 104 ships of German ownership that had been lying in American ports since the outbreak of the war in 1914 were seized. Although in anticipation of this action the German crews had damaged the machinery, in their opinion beyond repair, the entire fleet was restored to service within a period of six months and was used effectively against the former owners throughout 1918. The twenty of these vessels that had been used for the transportation of passengers carried a total of 557,778 troops to France, while the remainder of the fleet was utilized for the movement of supplies. During the spring of 1918, 500,000 tons of Dutch shipping lying in American ports were acquired by the right of seizure justified by extreme necessity, and several hundred vessels were purchased from neutral countries, many of them in exchange for trade concessions. By these various means the Shipping Board had by September, 1918, brought under its jurisdiction 2600 vessels with a total tonnage of more than 10,000,000, and had under construction or contract in government and private yards several hundred additional ships with a tonnage nearly as large.

The Shipping Board allotted shipping among the various agencies, such as the War Industries Board for the transportation of munitions and supplies, the Food Administration, the Fuel Administration, the navy, and the army. In those vessels assigned for the transportation of troops more than nine hundred thousand soldiers were carried to France.

#### THE EXPANSION OF THE NAVY

The purely naval construction for the United States was also a call on the industrial forces of the nation. At the outbreak of the war, work on capital ships and large cruisers provided for

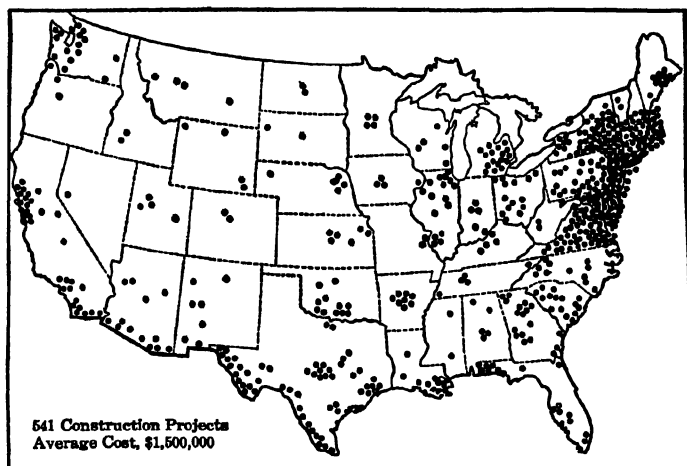
in the elaborate program of naval expansion adopted in 1916 (pp. 581 f.) was temporarily suspended and attention was concentrated on the building of destroyers, of which 250 were authorized in 1917, and a large fleet of submarine chasers. The execution of this plan of expansion was carried forward with such dispatch that during the first nine months of 1918 no less than 83 destroyers, 2 battleships, and 28 submarines were completed, together with many vessels of other types. At the same time this work was paralleled by the construction of giant docks, camps sufficient for the training of 200,000 men, a factory for naval aircraft and seaplanes, 100,000 mines for use in European waters, and other ordnance used by the navy. Meanwhile the personnel of the navy, regulars and reserves, had grown from approximately 95,000 to more than 530,000, a number in excess of that of the British navy at its maximum in the World War, and the number of vessels in commission increased from 197 to 2003. This remarkable policy of expansion was made possible by the appropriation of \$3,833,000,000 during the years 1917 and 1918, a sum about equal to the total expenses of the Department in its entire previous history.

#### OTHER WAR ACTIVITIES OF THE GOVERNMENT

With the progress of the war the scale of the American effort rapidly assumed vast dimensions; and with the development of these ideas of participation the constantly increasing projects of construction, supplies, and transportation added steadily to the problem of the mobilization of American industries. Immediately after the passage of the Selective Service Act in May, 1917, the government began the erection of thirty-two army camps, or cantonments, sixteen of which were composed of permanent structures for the use of the national army and the remaining sixteen of tents for the use of the National Guard. Each of the former was practically a city with water supply, sewers, lighting, heating, hospitals, and all the adjuncts of a self-maintaining community, constructed at an average cost of approximately \$8,000,000. Camp Grant at Rockford, Illinois, included 1600 buildings with space for 45,000 men and 12,000

horses. The camps for the National Guard because of the character of their construction were less expensive, averaging about \$2,000,000 apiece. It is a significant fact that work on the sixteen cantonments for the national army was practically completed within the brief period of three months.

To the projects already described must be added the building of enormous powder, high-explosive, and loading plants, warehouses, repair shops, power plants, cement piers, munition



CONSTRUCTION PROJECTS OF THE ARMY IN THE UNITED STATES

Courtesy of the United States War Department

factories, and many other types of war accessories. These operations, which numbered five hundred and forty-one, were scattered throughout the country and were completed at an average cost of \$1,500,000.

In order to expedite work on these undertakings the government in most instances awarded contracts on a day-work basis. The compensation for the construction of each project ranged from 6 per cent to 10 per cent of the cost, with a maximum fee to any contractor of \$250,000. Unfortunately the introduction of this so-called "cost plus" system of contract fostered extravagance and waste. Not only was the incentive to economize

removed, but lavish outlays of money were encouraged because the contractor's commission increased with the increased cost of the construction. Hence exorbitant prices were paid for materials, and wages were advanced to high figures. Because of the number of governmental employees and the profit to be derived from governmental contracts, wages and in general the cost of living advanced accordingly. The effect on the drafted soldiers was exceedingly unfortunate; for they could not help seeing the injustice of a plan which compelled them to accept a dollar a day for risking their lives while their friends in the "essential industrial plants" received fabulous wages and were exempted from regular military service. A justification for the system, however, was that by this means alone the construction work could be speeded up to meet the pressing demands of the military establishment.

Aside from the problems involved in the construction of these projects, those connected with obtaining food, munitions, and clothing for the 4,000,000 American soldiers and sailors were in themselves stupendous. In the matter of clothing alone the deliveries during the first fourteen months of the war were 131,800,000 pairs of woolen stockings, 168,000,000 pieces of underwear, 30,700,000 pairs of shoes, 26,500,000 flannel shirts, 21,740,000 breeches, 13,900,000 woolen coats, and 8,000,000 overcoats. The amount of ammunition used in the war may be gleaned from this statement made by Colonel L. P. Ayres, the statistician of the war: "The Meuse Argonne [battle] lasted six times as long as the battle of the Wilderness; twelve times as many American troops were engaged as were on the Union side; they used in action ten times as many guns and fired about one hundred times as many rounds of artillery ammunition. The actual weight of ammunition fired was greater than that used by the Union forces during the entire Civil War." During the summer and fall of 1918, contracts were let for supplies for an army a third larger than that of 1918 and with the expectation that the war would last one and possibly two more years.

## THE PROBLEM OF FINANCING THE WAR

Behind every line of governmental activity lay the need for money. Besides the enormous costs of the war expenditures of the United States, which were made heavier by the urgent necessity for haste, large loans had to be made to the Entente Allies, who were all in dire financial straits. At the time of the declaration of war no one had any definite idea of either the character of America's participation or the eventual cost. Nevertheless, to the appeal which was made to the people for increased taxes and for loans to the government, rich and poor alike responded with enthusiastic coöperation and patriotic fervor. While the adoption of a definite financial policy was under consideration an emergency Loan Act was passed by Congress on April 24, 1917, authorizing a bond issue of \$5,000,000,000 and the issuance of \$2,000,000,000 in short-term notes with which to meet the immediate needs of the government.

On the recommendation of the President and the Secretary of the Treasury it was decided that as great a share as possible of the costs of the war should be met by the "present generation, by well-conceived taxation." Of the total funds needed, it was proposed to raise about a third by taxation and the remainder by the sale of bonds and certificates maturing in from five to thirty years. The first of the revenue measures came before the House on May 9, 1917, and passed that body two weeks later. In the Senate, however, the passage of the bill was delayed until October by a disagreement over the provisions of the act dealing with incomes, excess profits, increased tariff duties, and bond issues. In its final form the 10 per cent increase in the tariff rates approved by the House was dropped; a graduated excess-profits tax ranging from 20 to 60 per cent of the war excess over the profits of the pre-war years 1911-1914 was instituted; and an income tax beginning with a rate of 4 per cent on individual incomes over \$1000, and heavy increases in the excise taxes on tobacco, alcoholic drinks, transportation, luxuries, amusements, and letter postage were established. The actual revenue derived from this measure in 1918 was \$3,696,000,000, a sum considerably larger than had been anticipated by the authors of the bill;



but even this sum failed to equal the mounting costs of the war program. Indeed, during the six months' extra session of Congress in 1917 that body appropriated \$18,897,000,000, including \$7,000,000,000 in loans to the Allies, and added governmental contracts amounting to \$3,000,000,000. Consequently early in 1918 Secretary McAdoo asked Congress for a new revenue act which would bring into the Treasury \$8,000,000,000. With few alterations this measure was approved by the House, but the Senate delayed action until after the signing of the armistice. Consequently the Secretary reduced his demands to \$6,000,000,000 for 1919 and \$4,000,000,000 for 1920. In this amended form the measure received the approval of Congress on February 24, 1919. In general the schedule of rates established by the act of 1917 was increased, and taxes were laid on a few additional items. The money raised by taxation from April, 1917, to October, 1919, aggregated \$11,280,000,000, which represented a larger proportion of the war budget than any foreign nation had been able to secure from tax revenues.

The grand total raised and expended, plus the \$9,406,000,000 lent to the Allies<sup>1</sup> during this period of nearly three years, reached the sum of \$35,413,000,000. These additional amounts were obtained through drives, four for Liberty Loans and one for a Victory Loan, for the sale directly to the people of bonds, which were arranged in denominations as low as fifty dollars. Largely under the auspices of the Federal Reserve and other banks, the greatest selling campaign on record was accomplished. The results were satisfactory beyond all expectations. In each instance the issue was oversubscribed, and the number of individual buyers of bonds ranged from 4,000,000 in the case of the first loan to more than 21,000,000 in the case of the last. The total of the five loans amounted to \$21,448,000,000. As a means

<sup>1</sup> This sum was used to meet Allied purchases of raw materials and munitions made in the United States. Previously these demands had been met by Allied credits in the American banks, by gold shipments to meet the balances, by American securities sent home to be sold in the open market, and by national loans offered for subscription in the United States. By the spring of 1917 these sources of credit had become practically exhausted and the supply of gold in the American Treasury had increased from \$1,279,000,000 on July 1, 1914, to \$2,445,000,000 in April, 1917.

of educating the public to the needs of the government as well as of gaining the participation of the greatest possible number of people, a campaign was inaugurated for the sale of "thrift stamps" in sums of twenty-five cents and up, which might be accumulated to secure interest-bearing savings certificates. From this source alone \$834,253,000, with a maturity value of more than \$1,000,000,000, had been secured by November 1, 1918.

The vast scale of the financial problem of the government is indicated by the fact that the direct war expenditures amounted to about \$22,000,000,000, "or nearly enough to pay the entire cost of running the United States Government from 1791 up to the outbreak of the European War."

#### THE MOBILIZATION OF THE NATION'S MAN POWER

When Congress declared that the United States was in a state of war with Germany on April 6, 1917, the total military forces of the country, including regular army, National Guard, and reserves, amounted to only about three hundred thousand men and fewer than ten thousand officers. Even the regular army was in no way ready for immediate participation, and the General Staff appeared to have given little thought to the problem of making it ready. The German military authorities were not far wrong, therefore, in ranking the strength of the military establishment of the United States at somewhere between that of Belgium and that of Portugal. Furthermore, the early popular belief that the American contribution was to be economic caused the subject of the raising of a large army to be somewhat overshadowed by other considerations. The President from the beginning, however, appears to have favored an army of about a million men to be kept in the United States as a reserve in case of emergency. Even if he had wished to send a few trained officers with the regular army to the battle front in France, their numbers would not have been sufficient to be of any special advantage to the Allies and the means of training a large army of raw recruits would have been destroyed. Therefore the pressing task of the government was manifestly that of creating an efficient army at home. Indeed, the first year in the

war was necessarily one of preparation. Before a call for large numbers of troops could be issued, camps had to be constructed, officers trained, and provisions made for an adequate supply of food, clothing, and munitions of war. Moreover, an army of a million or more men would require the revolutionizing of the industrial plants and the transportation system of the country and, in case they were dispatched to France, the building of an enormous merchant marine. Within a few weeks after the declaration of war, however, these modest plans were altered as a result of the urgent pleadings of the Allied Powers and a clearer appreciation of the military situation and necessities, and the decision was reached to dispatch sufficient armed forces to France to insure the ultimate victory of the United States and her associated allies.

The extent to which the industrial resources of the nation were mobilized during 1917 and 1918 to make this objective possible has been described in the previous pages. Paralleling these unprecedented activities was the mobilization of man power. Indeed, on April 7, the day following the declaration of war, President Wilson recommended to Congress the adoption of a system of compulsory military service, the details of which were embodied in the Selective Service Act previously prepared by the General Staff and approved by Secretary Baker. Since the proposed plan ran counter to American practice during most of its history, it naturally met with strong opposition, regardless of the fact that the President declared that "the safety of the nation depended upon the measure." He asserted that in this way only could successive and adequate supplies of men be obtained without disproportionate calls on any part of the country and without undue disturbance of the industrial life of the nation. Indeed, in England, where conscription was deferred for two years after the beginning of the war, national industry had been seriously crippled by the patriotic spirit that took skilled workmen from the factories into the trenches and further burdened society by accepting the enlistment of men on whom families were dependent for their support. Nevertheless the advocates of the volunteer system, led by such men as Speaker Champ Clark, House Leader Claude Kitchin, and Stanley H.

Dent, chairman of the Committee on Military Affairs, delayed action for weeks. In the end, however, the President's refusal to "yield an inch of any essential part of the programme" was successful, and the bill passed Congress by large majorities and became a law on May 18, 1917.

This significant legislation provided for the nationalization of the state militia, for the increasing by enlistment of the regular army and the militia to their full legal strength,<sup>1</sup> and for the drafting of a national army of 500,000 men (or 1,000,000, at the discretion of the President) "based on the liability to military service of all male citizens, . . . between the ages of 21 and 30 years, both inclusive." Later the age limit was raised to include all males between the ages of eighteen and forty-five inclusive. The details for the enforcement of the Selective Service legislation were devised by General E. H. Crowder in the short space of sixteen days. According to this plan each state was constituted a separate unit, and each governor was charged with the execution of the law in his state.

On June 5 some 9,586,000 young men were registered simultaneously in the 4557 registration districts into which the country was divided. This registry consisted of entering on a card essential facts for a complete identification of the registrant and a statement of his domestic and economic circumstances on which to base the call to service with the least disturbance to the economic life of the nation. Ultimately, of 54,000,000 men between the ages of eighteen and forty-five inclusive 26,000,000 either were officially qualified or were actually in the service.

The first draft was made on July 20, when about 1,000,000 were chosen by lot, calling into service men holding the numbers drawn in each of the registration districts. These men reported to their registration offices for physical examination or to claim exemptions under the various provisions of the act. In September about 500,000 were accepted and sent to the training camps that had been prepared in the meantime for them. The National Guard also was called into service during the summer of 1917. Contrary to predictions of the opponents of the Selec-

<sup>1</sup> At the close of the war the strength of the regular army was 527,000 and that of the National Guard 382,000.

tive Service legislation, this and later conscriptions, which ultimately added a total of 3,091,000 men to the armed forces of the country, were accepted throughout the land without opposition.

While the details connected with the execution of the Selective Service Act were being worked out, the government, beginning in May, established the first of a series of sixteen training camps, to which carefully selected groups of men were sent to obtain instruction as officers. Each camp lasted three months, during which those seeking commissions were subjected to rigid intensive training and study. During the entire period of the war more than 80,000 commissions were granted through these camps. At the same time Students' Army Training Corps were formed in 500 institutions of learning, in which 170,000 young men under twenty-one years of age were prepared for officers' commissions. In all the regular army training schools French and British officers coöperated as instructors with the idea of sharing the advantage of their three years' experience on the battle line.

Thus, by the early autumn of 1917 the preliminary steps had been completed for the conversion of the abundant man power of the United States into soldiers, and before the end of the year most of the men who later saw service in France were in camps receiving training. It is an interesting fact that in no previous war had so much attention and so much money been expended to safeguard the health of the soldiers. Not only was this true in the construction of the training camps on plans that were based on the most improved sanitary and hygienic principles, but the soldiers were given the services of the best that the medical profession could offer. Indeed, of the 200,000 American officers in the World War 42,000 were physicians and 4400 were dentists. Furthermore, through the Commission on Training Camp Activities and numerous private organizations the mental, spiritual, and recreational welfare of the men was ministered to in a manner that greatly benefited the morale and the personal conduct of the soldiers.

## CHAPTER XXVIII

### THE AMERICAN EXPEDITIONARY FORCE

#### NAVAL OPERATIONS DURING THE WORLD WAR

Although the work of the American navy in the World War was not spectacular in the sense that the army's was, nevertheless it was of the utmost importance. In fact, the transportation of the army to Europe and the maintenance of a continual flow of supplies were dependent almost entirely on the ability of the navy to obtain ships in sufficient number to meet the emergency and to devise means of protecting them on their journeys across the Atlantic. At the beginning of the war a flotilla of destroyers was sent to England to cooperate with her in European waters. Later six battleships joined the British Grand Fleet in the North Sea, and three others were stationed off the coast of Ireland. Before the end of the war naval bases were established at Brest, Gibraltar, the Azores, and Queenstown for American cruisers, destroyers, and submarine chasers engaged in convoying troops and supplies and in combating in other ways the menace of the submarines. At one time the station at Brest alone contained thirty-six destroyers, twelve yachts, three tenders, and a number of mine sweepers. In American waters also naval vessels were ever on the alert, although only two submarine attacks were made there during the entire period of the war.

Those vessels operating in European waters were placed under the command of Admiral William S. Sims, one of the ablest of the American naval officers. Not only did he possess an international reputation because of his invention of a system of fire control, which most of the navies of the world had adopted, and certain devices which had improved materially the marksmanship of naval gunners, but he was an ardent admirer of the British. Consequently from the beginning he enjoyed the confidence and respect of both the French and the British naval

commanders, with whom he coöperated enthusiastically and efficiently. The ships stationed with the British Grand Fleet and those at Queenstown were placed under the jurisdiction of the English, while those in other bases remained for the most part under the direct control of the United States.

Admiral Jellicoe of the British navy asserted after the war that it was the presence of the American warships in European waters that gave the Allied Powers the preponderance of strength which enabled them to overcome the submarine threat. This task was accomplished by the establishment of the convoy system, by which merchant vessels were operated in fleets under the protection of war vessels, and by the development of certain means of attacking the submarines beneath the surface of the water, the most important of which was the depth bomb. Especially important was the part taken by the American navy in laying a mine barrage twenty miles in width from the Scottish coast across to Norwegian waters, a distance of 245 miles. The mines were placed some 250 feet under the water and were so arranged that it would be difficult for a submarine to pass through the channels without striking one; 85,000 mines of the large type were manufactured in the United States and sent to England, of which 56,000 were laid by the American navy. A similar mine barrage was placed across the English Channel. Among its other achievements the American navy transported more than 900,000 troops to France without the loss of a single man, although three vessels were sunk on return voyages; and it furnished convoys for many British, French, and Italian ships carrying American troops. But even with the coöperation of the American navy it was not until the summer of 1918 that the sinkings by submarines were reduced to a point where the replacements of shipping balanced the losses.

Other duties performed by the navy were the arming of some 500 merchant vessels, on which 1000 guns and 10,000 Americans were placed as gun crews, and the sweeping of German mines from vast areas in European waters. In all its operations the navy lost only one vessel, although 18 ships in the naval Overseas Transportation Service were lost, 8 of which fell victim to German mines and submarines. It participated in only two naval

engagements, one against the Austrian naval base at Durazzo and the other against the German base at Zeebrugge. Though it is impossible to determine the exact number of submarines destroyed by the American navy, it is known that Germany's losses from 1914 until the end of the war were 199 submarines with 5132 men, representing about 45 per cent of the submarines that she sent out during the war.

### GENERAL JOHN J. PERSHING AND HIS MISSION TO EUROPE

Whereas the navy is kept in readiness at all times, the preparation of an army is a difficult task, especially when its enlargement is on such a stupendous scale as that contemplated in the World War. As has been seen, the resources of the nation had to be mobilized before a large army could be placed in the field, and the difficulties were complicated further by the necessity of transporting that army a distance of three thousand miles across the Atlantic and several hundred miles inland to the fighting front. Much time, therefore, necessarily elapsed before that branch of the military establishment could be placed in a position to exert much pressure on the enemy. In the meantime President Wilson carried out his decision, made soon after America's declaration of war on April 6, 1917, to dispatch a small body of soldiers to France (p. 614) under the command of General John J. Pershing. The man to whose hands the military fortunes of the American Expeditionary Force (A.E.F.) were thus intrusted was at that time fifty-seven years of age, with a military record second to none in the army. After his graduation from West Point in 1886 he had participated in several Indian campaigns, had served as major of volunteers in the Spanish-American War, and had engaged in two campaigns in the Philippines. During the Russo-Japanese War, in 1905, he had spent several months with General Kuroki's army in Manchuria, and in 1916 he had commanded the punitive expedition against Villa in Mexico (pp. 558 f.). Because of his soldierly qualities, his superb presence, and his pronounced military and administrative achievements in all the tasks to which he had set his hand he had been advanced rapidly over the heads



of several hundred senior officers in a series of promotions. Though his strict rules of discipline and exacting requirements deprived him to a large extent of the personal popularity that usually accompanies brilliant military leadership, his skill in building up a great military organization under the most trying circumstances and his successful operations at St. Mihiel and in the Meuse-Argonne drive are coming to be recognized more and more as achievements of prime importance and the guiding hand in them as that of a general of more than ordinary ability.

After a brief visit in Washington following his appointment, General Pershing with a staff of fifty-three officers and one hundred and forty-six enlisted men sailed for Liverpool, England, where he arrived on June 8. Wherever he went he was received with enthusiastic demonstrations of good will. Men in all walks of life and in official positions welcomed him, and the king declared that it had been the dream of his life "to see the two great English-speaking nations more closely united. My dreams have been realized. It is with the utmost pleasure that I welcome you at the head of the American contingent to our shores." Upon his arrival on French soil on June 13 Pershing was received with rejoicing such as that country had not witnessed since the outbreak of the war. Marshal Joffre escorted him to the tomb of Napoleon, the crypt of which was entered for the first time in nearly a century. There the case containing the sword of the great national hero was opened and the sword was handed to the American general, an honor which had never previously been bestowed on anyone. After the completion of the round of official ceremonies General Pershing and his staff established temporary headquarters in Paris and began the formulation of plans for the regular army, which was to follow them.

In the orders given to General Pershing before his departure from Washington he was placed in command of all the land forces of the United States operating in Europe. Upon his arrival in France he was directed, after consultation with the French War Office, to establish all necessary bases, lines of communication, depots, and such incidental arrangements as he might deem necessary for America's participation at the front. Though he was instructed to coöperate with the forces of the Allied Powers

employed against the enemy, he was reminded that "in so doing, the underlying idea must be kept in view that the forces of the United States are a separate and distinct component of the combined forces, the identity of which must be preserved." Moreover, he was given authority to permit the use of American troops in coöperation with "whatever army you may be assigned to by the French Government" pending the arrival of American troops in sufficient numbers to warrant "an independent command." In a personal conversation with Secretary Baker in Washington he was assured that Baker would not interfere with his administration of military matters or permit it to be meddled with by military associates in the United States, a declaration which was rigidly observed not only by Secretary Baker but by President Wilson as well. As a consequence the military operations in France were free from politics and civilian tampering, in striking contrast to the conditions in all previous wars of the United States. The result was soon evident in the practical arrangements adopted, which molded American strategy into effective form.

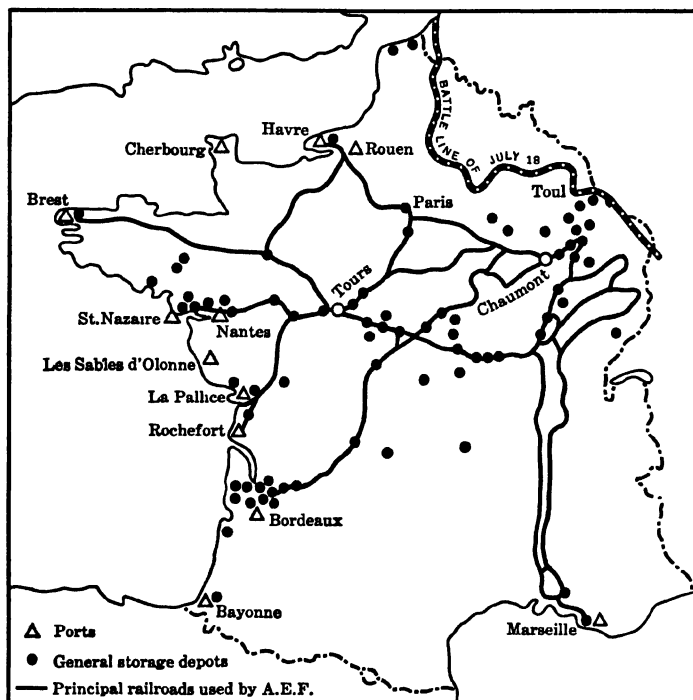
General Pershing's arrival in Europe came at a time when it was possible for him to make a sound estimate of the real situation in France. The costly attacks of the Entente Allies on the German lines had failed to attain any decided advantage, and Pershing and his staff foresaw more clearly than the French and British the extent of the reënforcements from America needed to bring the war to a successful conclusion. Consequently in his recommendations to the government at Washington he urged the adoption of a military program out of all proportion to the prevalent idea of what it should be, conclusions amply justified by time. In his communication of July 6 he stated, "It is evident that a force of 1,000,000 men is the smallest unit which in modern war will be a complete, well balanced, and independent fighting organization." He then recommended the immediate formation of an army of 3,000,000 men, one third of which should be trained and transported to France by May, 1918, in time to participate in the spring offensive. Both the administration and Congress readily acceded to his wishes, and entered on the great task of preparing the nation to meet this emergency. So complicated and varied were the demands of modern warfare, how-

ever, and so complete was the unpreparedness of the United States that military men in both Europe and America did not expect fighting units of any size to appear on the battle front for a year or more.

#### AMERICAN PREPARATIONS OVERSEAS

Thus, during the second half of 1917, while cantonments for the production of troops were being built in the United States and the transport service was being organized which was to deliver the soldiers overseas as they completed their course of training, together with the supplies necessary for their maintenance, General Pershing and his staff were busily engaged in perfecting the facilities in France for receiving, handling, and delivering troops and supplies. As a matter of fact, the area of American coöperation on the Western Front was determined in advance. Inasmuch as the Belgians and the British were established in northern France and Belgium and the French had concentrated their greatest effort for the defense of Paris, the transportation facilities in all northern France and the Channel ports were taxed to the limit to meet the needs of the Allied armies along that sector of the battle line. Hence it was evident that America's bases should be established in western and southern France and that her military efforts should be directed against the German position somewhere between Reims and the boundary of Switzerland. Indeed, to Germany no portion of her defenses was more important than this, because behind it lay the Briey iron regions, from which she obtained the greater portion of the iron required for munitions and materials; and the coal fields east of Metz were almost as essential to her war program. Furthermore, to the north of Metz lay one of her main lines of communication leading to a large part of the Western Front, while only a short distance within the boundary of Germany was located the industrial center of Germany. It was obvious, therefore, that a successful assault against the enemy in this region would bring a definite military decision. Pershing was pleased indeed when this important sector was assigned to him, for he was essentially an offensive commander and his troops were on an offensive rather than a defensive mission to Europe.

The problems which confronted him, however, were great, partly because the port and transportation facilities were wholly inadequate and his base of operation would be several hundred miles distant from the ports of debarkation. In August, 1917, the American headquarters were moved from Paris to Chaumont,

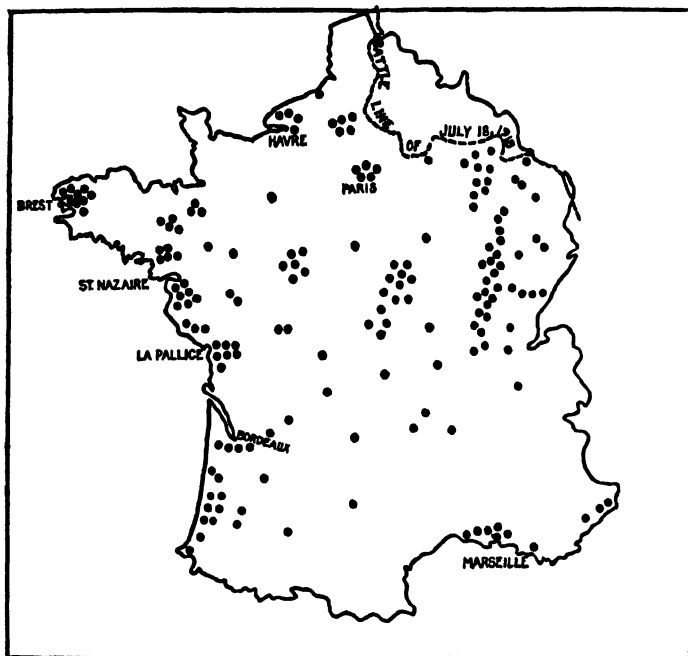


SEAPORTS, STORAGE POINTS, AND SUPPLY LINES OF THE AMERICAN ARMY IN FRANCE

Courtesy of the United States War Department

some fifty miles southeast of Toul, and active preparations were made to meet these deficiencies. The following February the Service of Supply was organized with its headquarters at Tours to secure and distribute all the food, equipment, building materials, and other necessities demanded by the Expeditionary Force. In the dozen or more ports used by the Americans, the

most important of which were Brest, St. Nazaire, and Bordeaux, extensive improvements and enlargements proved necessary, the materials for which were brought for the most part from the United States. Docks were built, concrete platforms and electric cranes were set up, and other facilities were established for



CONSTRUCTION PROJECTS OF THE AMERICAN ARMY IN FRANCE

Courtesy of the United States War Department

the expeditious handling of cargoes. Meanwhile the French railway system in southern France was thoroughly overhauled and many new lines were built. In all, more than 1000 miles of standard-gauge tracks, consisting largely of double-tracking, cut-offs, and tracks in the yards at ports and depots, were laid, and 1761 consolidation locomotives, 26,994 freight cars, and an aggregate of 430,000 tons of rails and other equipment were brought from the United States and were installed. Coincident

with these developments was the establishment of inland base depots where the materials were stored as they came from the ships. At the same time the construction of barracks, hospitals, and stables made large lumbering operations necessary. In addition to the 2,000,000 square feet of covered storage obtained from the French some 20,000,000 additional square feet were constructed. The hospital at Mons alone embraced 700 buildings and covered 33 acres. These totals indicate the enormous tasks of the Service of Supply of the American Expeditionary Forces, the personnel of which included 668,312, all of whom were soldiers except 23,772 civilians. In addition there were 60,000 and more Americans employed on the railroads under American control.

In view of the fact that fewer than two hundred thousand troops had been landed in France by the end of 1917 and only three hundred thousand by the time of the opening of the German drive in March, the British and French officials began to express doubt as to the wisdom of these elaborate preparations and dissatisfaction at the rate at which American troops were arriving. Even Ambassador Page at London wrote to his government, "It is becoming apparent that the bulk of tonnage assigned to transport the Army is being used to bring over material to create the facilities for handling and supplying a projected army so large that it can probably never be landed in France — at least not in time to get into the game." Nevertheless the work went forward according to the plans of General Pershing, and before the end of the summer it was evident that his judgment in the matter had been sound.

#### THE TRAINING OF THE ARMY OVERSEAS

After the soldiers had been transported to France both officers and men received a system of rigidly intensive training. Though the new officers had spent three months in the Officers' Training Schools in the United States and six months in command of raw recruits, this training was found to be entirely inadequate for the advanced requirements of the European war. Consequently, following the precedents of the British and the French,

the Americans inaugurated a great system of schools to give instruction in every branch of the army's organization. For the troops the program of instruction as prescribed by General Pershing was "a division one month for acclimatization and instruction in small units from battalions down, a second month in quiet trench sectors by battalions, and a third month after it came out of the trenches when it should be trained as a complete division in war of movement." Of the forty-two divisions which reached France, thirty-six were organized in the summer and fall of 1917. The other six were organized in divisions by January, 1918, but they had been in training as separate units for several weeks before that time. This meant that these men before arriving in France had spent eight months in camps, or cantonments. Hence, with the instruction which they received in France, the major portion of American soldiers had gone through a thorough system of training and had seen some trench service in quiet sectors before active participation in the war. During the latter months of the war, however, many American soldiers were placed on the battle line when they were by no means sufficiently trained, and in some instances whole divisions were sent to the front with little or no training after their arrival in France. Indeed, there were instances of individual soldiers who were sent into the ranks as replacement units who had never fired a gun and did not know how to adjust a gas mask; but these were exceptional cases. As the war progressed, it was found that American soldiers required a shorter period of training than had been thought necessary before the actual test. Not only was their adaptability especially noticeable, but their eagerness to get to the front made them apt pupils. They listened carefully to their instructors, and self-confidence and patriotic zeal inspired the entire organization with a high morale and a desire to give a good account of themselves.

The policy underlying the course of training was the education of the troops for the offensive. General Pershing himself stated, "The development of a self-reliant infantry by thorough drill and in the tactics of open warfare was always uppermost." He did not have the slightest doubt as to the ability of the American troops to pierce the German intrenchments, and he proposed to

have his army ready when the time came to turn the war into a smashing open-field conflict. Though he wished his men to be instructed in trench warfare, he could not vision this type of warfare as ever leading to a decision. Both the British and the French, however, regarded their trench tactics as standardized, and accordingly gave little attention during 1917 and 1918 to open field drill. The developments of the summer and fall of 1918, when the German defensive lines were broken and trench warfare was abandoned as a result of the German retreat, proved the superiority of the American type of training to that of the Allied Powers.

During the winter and spring of 1917-1918, however, General Pershing's training tactics were constantly under criticism by the Allies, who for the most part had little confidence in the fighting ability of the Americans. It was their wish to use the American reënforcements as replacement units in the French and British armies, and they pressed this contention persistently. They felt not only that it would save a considerable period of time in training, but that it would utilize to the best advantage the organizations which were then in existence. They maintained that serving thus under experienced officers and associated with old, seasoned soldiers, the American troops would prove an important factor in bringing the war to a speedy and successful conclusion. General Pershing, however, in conformity with his original instructions, steadfastly opposed this method of using the American troops, and was sustained in his action by President Wilson and Secretary Baker regardless of the frequent appeals that were made to them. Thus it remained the policy of the United States that ultimately, when sufficient troops had arrived to justify it, the American forces should be combined into one or more armies and should be placed under the command of American officers in charge of a definite sector of the battle line. Indeed, it was necessary at all times to preserve the independence and identity of the American forces so that they could never be anything but an instrument of the policy of the United States. Furthermore, it was doubtful if public opinion in the United States would have tolerated the surrender of American soldiers to be lost in British and French commands.



Indeed, so different were the habits, training, discipline, diet, and recreation of the European and the American troops that attempts to amalgamate the two would have proved exceedingly unfortunate. The latter would not have been contented under any flag but their own, and their use as mere replacements in foreign armies would have destroyed their morale and weakened their effectiveness.

### THE GENERAL MILITARY SITUATION IN THE SPRING OF 1918

When the campaign of 1918 opened, the Entente Allies were deeply disappointed at the results of the American effort thus far. Indeed, the number of American troops in France (less than three hundred thousand, half of whom were not combat troops) was comparatively insignificant. Although the foundation was being laid both in the United States and in France for the development of a formidable military establishment, the task of providing ships, munitions, and other equipment as well as that of converting the peace-loving manhood of the country into an effective militaristic organization, was stupendous; in fact, the magnitude of the undertaking was never fully appreciated by the leaders in the Allied countries.

Moreover, there was ample justification for the nervous anxiety of the Allies concerning the outlook for the operations of 1918. Not only was the morale of their people at an exceedingly low ebb, but a survey of the military situation showed at once the superiority of Germany over all other military factors in Europe. Allied offensive operations on the Western Front during 1917 had been costly and had attained only minor gains. The development in Italy of a strong anti-war movement with rioting and actual mutiny on the front had culminated in the disastrous defeat of the Italian forces along the extended Caporetto battle line and the advance of the Austro-German armies to the Piave, where they were held in check only by the timely assistance of ten English and French divisions. The loss of nearly two hundred thousand prisoners and twenty-five hundred guns had so weakened the Italians that little was expected of them for at least another year. Equally discouraging was the situation

along the Eastern Front. There the Russian offensive on which the Allied Powers had induced Premier Kerensky and General Brusilov to embark broke down utterly in mutiny and rioting, which ended in the overthrow of the government in November and the establishment of the communistic régime under Lenin and Trotzky. The new Russian government, after an unsuccessful attempt to induce the warring nations to agree to a cessation of hostilities, published the secret treaties in the archives of the Foreign Office, showing the various territories of the Central Powers which were to go to England, France, Russia, and Italy in the event of Allied victory, and they inaugurated a system of propaganda among the laboring classes in all countries with the object of encompassing the destruction of the existing governments and the establishment of peace. After repudiating all the obligations, political, financial, and military, of the régimes of the Czar and Kerensky, the Bolsheviks asked the Central Powers to negotiate a peace on the basis of "peace without annexations or indemnities," to which the civil leaders in Austria and Germany had pledged themselves in public utterances. When the conferences were held at Brest-Litovsk in December, 1917, however, the Austro-Germans demanded the cession of a third of the Russian Empire with a third of her former population to be either annexed to the Central Powers or created into independent countries under the domination of Austria and Germany, together with certain extraordinary financial and commercial privileges throughout Russia. Though the Bolsheviks indignantly rejected this proposition, they were soon forced to yield. Thus, not only was Russia eliminated from the Allied Coalition, but half a million German troops were released for service on the Western Front and a large area was opened up from which food and military supplies for the peoples and armies of the Central Powers could be obtained. This in part nullified the effect of the Allied blockade, and by March 1 the transfer of troops to the Western Front had given the Central Powers a preponderance of strength which the American reinforcements were inadequate to offset. The statement of Ludendorff that at that time "numerically we had never been so strong in comparison with our enemies" was essentially correct.

General Pershing and the military leaders in the Allied countries fully appreciated the seriousness of this situation. During the fall of 1917, when the inability of the United States to equip her armies with heavy artillery, machine guns, and airplanes on account of a succession of delays and blunders in making plans for their production seemed certain to postpone the embarkation of large numbers of troops for many months, the British and French governments informed the authorities at Washington that because of the standardization of the manufacture of these arms in their respective countries they were able to "equip completely all American divisions as they arrive in France during the year 1918." With a view, therefore, to facilitating the sending of American troops to France and of "securing the maximum ultimate development of the munitions supply with the minimum of strain upon available tonnage," they proposed that "the field, medium and heavy artillery be supplied" from British and French factories. This offer was accepted by the United States with most satisfactory results. Indeed, American troops could not and would not have been sent into the trenches in numbers without this equipment. Regardless of the fact that Congress appropriated \$640,000,000 in July, 1917, for purposes of aviation, the first American plane was not landed in France until May, 1918, and it was not until August that an entire squadron was fully equipped with American-made planes. At the date of the armistice, however, both Liberty motors and planes were being turned out in enormous quantities. Similarly, until the late summer and early fall of 1918 the American soldiers were dependent largely on England and France for machine guns and tanks.<sup>1</sup> As a further means of expediting the preparation of a large number of American

<sup>1</sup> According to André Tardieu, a French army officer and a member of the Chamber of Deputies: "On the day of the Armistice, of the United States Army's war material then in line, France manufactured 100 per cent of the 75's, 100 per cent of the 155's howitzers, 100 per cent of the tanks, 81 per cent of the *aéroplanes*, 75 per cent of the long guns. All of the 65,000,000 rounds of 75 and 155 shells used by the American artillery came from French factories." Much equipment was obtained also from British factories. At the time of the armistice, however, most of these deficiencies had been remedied; and had the war continued into 1919, as had been anticipated, all branches of the American army would have been supplied almost exclusively with American-made equipment.

soldiers for active participation in the war, representatives of the Entente Allies, as has been said, made repeated requests to General Pershing and to the government at Washington for the utilization of reinforcements from the United States as replacement units in the French and British armies.

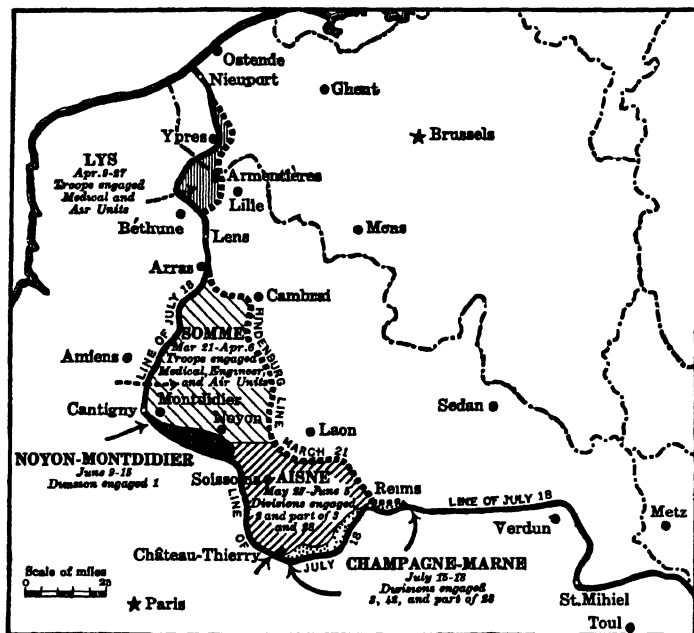
From the beginning General Pershing appreciated fully the critical situation that prevailed along the Western Front following the failure of the Allied offensive during the spring and summer of 1917, and in his communications to his government he urged repeatedly the speeding up of the war program, especially the ship construction. On December 2, 1917, he said: "The Allies are very weak and we must come to their relief this year, 1918. The year after may be too late." To the British he made fervent pleas for the assignment of British merchant ships for the transportation of American troops; and in January, 1918, he succeeded in obtaining an agreement by which British ships were to carry six divisions of United States soldiers to France, where they were to serve with the British for a training period of ten weeks. Meanwhile the construction program of the Shipping Board was nearing a point where ships could be produced in great numbers, and the repair work on the German vessels seized in American ports was practically completed (pp. 624 f.).

### THE GERMAN OFFENSIVE OF 1918

While the United States and the Allied Powers were strengthening their positions along the Western Front, Germany was preparing to launch the greatest offensive of the war, which she confidently expected to bring complete victory to her arms. During the winter months she had perfected a new system of attack, the "Hutier maneuver," by which many divisions were stationed in the vicinity of the intended attack with their movements and transportation carefully worked out so that they could converge on the objective in successive installments. Thus, when the main defensive positions were crossed, fresh divisions would be ready to push the advantages gained to a conclusion in open field fighting, a contingency which the French and the British were wholly unprepared to meet. This plan of attack

did not include the usual warning of preliminary bombardment, although a great strength of artillery was to be assembled to move forward with the attack.

After the completion of their organization the Germans, with 800,000 picked men, began on March 21 the first of a series of tremendous drives, falling upon the southern extremity of the



THE GERMAN OFFENSIVE OF 1918

Courtesy of the United States War Department

British lines along a forty-mile front near the juncture of the British and French troops. The British, taken by surprise, were driven in hopeless rout before the concentrated assaults of the enemy, whose advance was not stopped for eight days. When, finally, French troops hurried to the scene held the Germans in check at the very gates of the important railway center of Amiens, the Germans had penetrated a distance of thirty-five miles and had taken 90,000 prisoners, 1300 guns, and 100 tanks.

On April 9 a similar assault was delivered against the British troops in the region of La Bassée and Armentières in an effort to seize Ypres and the Channel ports. Like the first, this attack was a successful surprise. In ten days of continuous fighting a broad salient was driven into the British lines, though the original objective was not reached. It was on this occasion that the British commander in chief, Sir Douglas Haig, ordered "every position" to "be held to the last man." On May 27 the third assault of the German offensive was delivered against the French sector between Soissons and Reims. The French were taken completely off their guard and the formidable Chemin des Dames defensive line was penetrated along an eighty-mile front, allowing the Germans in four days to advance rapidly to the Marne, a distance of thirty miles. There, with the aid of American troops hastily thrown into the breach, the Allies successfully held the Germans. The latter, however, had won a large salient, of which Château-Thierry was the apex, and had captured 40,000 prisoners and 400 guns. Ten days later (June 9) the German positions in the vicinity of Montdidier, Noyon, and Soissons were advanced and strengthened. After this assault comparative peace prevailed all along the Western line for a month. Meanwhile the Germans were perfecting their plans for the "peace offensive," which they expected to carry them to Paris, where they could dictate terms of peace.

#### UNIFIED ALLIED COMMAND

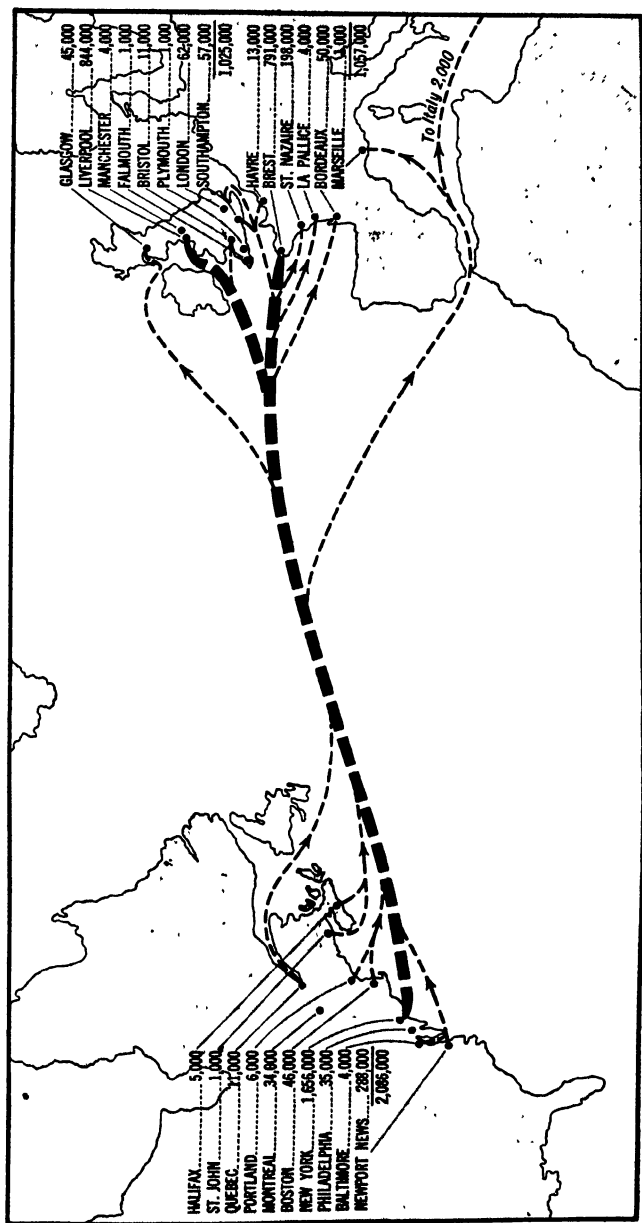
These successive German advances in the spring of 1918 were so serious in consequences that their complete success could be avoided only by a supreme united effort on the part of the United States and the Allied Powers. Indeed, during the first days of June something akin to panic seized the government and people of France. It is estimated that a million persons left Paris, and the government packed the archives for shipment to southern France. According to General Pershing the "offensive" had "made such inroads upon French and British reserves that defeat stared them in the face unless the new American troops should prove more immediately available than even the most

optimistic had dared to hope." Furthermore, the continued reverses of the Allied armies, which had not yet developed the power to stop the German advance, had greatly affected the spirits of their troops, lowering their morale alarmingly.

In this dilemma the leaders of the Allied countries rose admirably to meet the situation. After the first German drive the absence of a unified command, which in this and many previous instances had proved disastrous for them, was remedied by the appointment of General Ferdinand Foch as supreme commander to coördinate the actions and formulate the strategy of the French, British, and American armies operating on the Western Front. In bringing about this much-needed reform, the efficacy of which was soon to be vindicated, the United States was probably a deciding factor, inasmuch as President Wilson, Secretary Baker, and General Pershing had advocated its adoption persistently for many months. Of special significance was the action of General Pershing in placing at the disposal of General Foch all the American combat troops then in France. This meant that (temporarily, at least) the American soldiers would be brigaded with French and British troops, under whose command they would pass, an arrangement which the Allies had urged since the landing of the first American soldiers in France. General Pershing, however, expressly stipulated that he considered this as an emergency measure only, and that after the immediate danger had passed he proposed to assemble his troops in an American army for operation in a definite sector on the same basis as the armies of France and England.

#### AMERICAN REËNFORCEMENTS

In view of the fact that only 300,000 American soldiers were in France when the first German offensive was launched on March 21, it was evident that means must be found for speeding up the transportation of troops from the United States to the battle front. Though the American merchant marine was increasing with rapidity after January 1, 1918, it could not attain formidable proportions before late summer. As it was, it had carried to France 47,853 soldiers in January, 49,110 in February,



# MOVEMENT OF AMERICAN TROOPS TO FRANCE

Courtesy of the United States War Department



and 84,882 in March. To meet this situation General Pershing renewed his appeal, previously made on many occasions to the Allies, to pool their shipping in order to make available additional tonnage for the transportation of American troops to France. This time his request was granted, with the result that between March 31 and August 30 the British alone added 124 ships to the service. Consequently, in April the number of troops landed in Europe reached 118,642, in May 245,945, in June 276,864, in July 306,350, in August 286,974, in September 257,457, and in October 180,326. Thus, 1,500,000 troops were rushed to Europe in the six months of the crisis of the World War. At the time of the armistice 2,086,000 had crossed the Atlantic, of whom 1,025,000 were transported in British and 112,000 in French and Italian ships.

Until May, 1918, the participation of American troops in military operations had been of comparative unimportance, intended mainly as a part of their training. Nevertheless, between October, 1917, when the First Division entered the trenches, and March 15, 1918, they had engaged in many raids and counter-raids and had suffered a casualty list of 1722. With the arrival of reinforcements following the opening of the German offensive on March 21, however, their presence on the battlefields along the Western Front became a factor of greater and greater significance. Indeed, in the defense of the Marne and the checking of the German advance to Paris late in May the Americans were a deciding factor. On May 28 the First Division, which occupied a part of the line near Montdidier, delivered a successful attack against the important observation post of Cantigny and held it against a series of determined counter-attacks. The operation was conducted with such skill and bravery that it demonstrated to the Allies as well as to the Germans that American soldiers could and would fight, and it gave the Americans confidence in their ability to meet the seasoned German troops successfully. Early in June the Second and Third Divisions displayed great ability and valor in the defense of Château-Thierry and the immediate vicinity, as a result of which the German advance was stopped. Meanwhile the Americans conducted offensive operations against a number of strategic points. The most important

of these was the capture of Belleau Wood by a detachment of marines under the command of Brigadier General J. G. Harbord.

The need for large additional American reinforcements was emphasized on June 2 in a joint cablegram to President Wilson from the premiers of England, France, and Italy stating that General Foch estimated the German superiority at the time at thirty-eight divisions with "no possibility of the British and French increasing the number of their divisions." Hence, they continued, there was great danger of the war's being lost "unless the numerical inferiority of the Allies can be remedied as rapidly as possible by the advent of American troops." This required the presence of a hundred American divisions in France "at as early a date as this can possibly be done." In response to this emergency call the War Department planned to place in France an army of approximately three million men by the middle of March, 1919.

After the check of the thrust against Paris, the Germans pushed forward preparations for a resumption of the offensive, while the Allies strengthened their positions and quietly assembled a large army of reserves with which to launch a counter-offensive movement when the opportune moment should arrive. Since the Allies expected the impending German assault to be directed against the center of the Western battle line, with Paris as the objective, they concentrated their forces in that region. By the middle of July six American divisions were stationed in the Château-Thierry sector, four of which, the Twelfth, the Second, the Third, and the Twenty-sixth, were in the line and two, the Fourth and the Twenty-eighth, were in reserve, while the Forty-second was in the line east of Reims. Other detachments were serving with the British to the north, and still others were stationed in the various training areas. In all sixty miles of front-line positions were occupied by American soldiers.

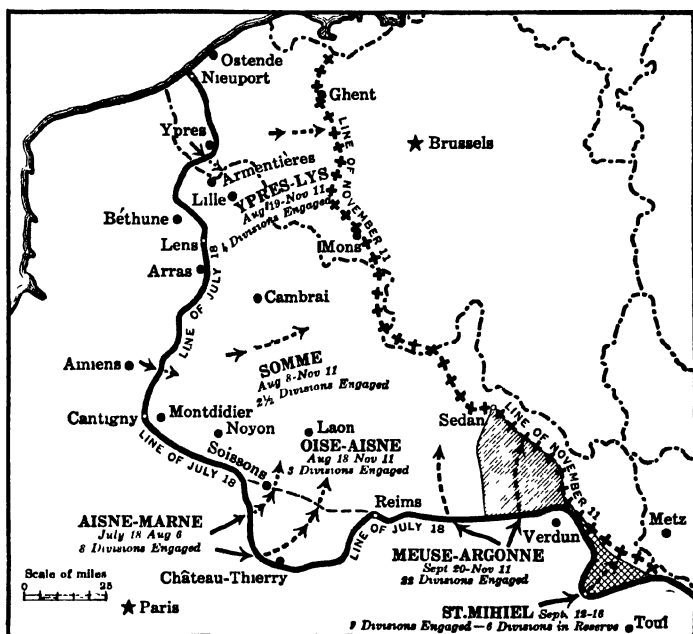
### THE TURN OF THE TIDE

On the early morning of July 15 the Germans renewed the offensive which they had held for four months by striking the Allied positions, as had been anticipated, along the front ex-

tending from Château-Thierry to the Argonne. They had concentrated their full military strength in this supreme effort to bring a decisive victory to the Central Powers, hoping in this so-called "peace offensive" to widen the Château-Thierry salient, force the evacuation of Reims, and possibly enter Paris itself. Of the outcome of their attack they were entirely confident. In contrast to the previous offensives of 1918, however, the element of surprise was wholly lacking, for the French and American troops stood ready for the onslaught. In three days of bitter fighting the Germans attained no gains of any significance. During this engagement eight American divisions participated. The defense of Château-Thierry by the Third Division, under General Dickman, was one of the most valiant feats in the military annals of the United States, and everywhere the Americans held their positions with a tenacity that was unsurpassed by the experienced French troops.

Meanwhile General Foch had assembled a reserve force for a counter-assault on the western side of the Marne salient, where the German positions had been weakened to add strength to the main attack along the line to the east. On July 18 he began the operations with two American divisions and one French division along the front between Soissons and Château-Thierry. Taking the Germans by surprise, he penetrated their trenches and threatened the lines of communication leading to the extreme German positions in the Marne salient. On the second day of the attack the Germans began a hasty retreat from the entire salient, closely followed by the French and Americans along the line from Soissons to Reims. Although they executed this retreat with great skill, they sustained terrific losses in both men and supplies. The battle raged furiously until August 6, when the Germans reached the line of the Vesle, where they were successful in holding their positions against the Allied assaults. The renewal of the Franco-American attack on August 30 forced the Germans to withdraw to the River Aisne. Altogether, in the counter-offensive nine American divisions participated, of which one, the Second, suffered more than nine thousand casualties, a third of its entire strength, and each of the others incurred large losses.

This marked the turning point of the war. Everywhere the morale of the Allied troops was lifted from the depths of despondency into which it had been thrown by the long succession of German victories, and the transition of that of the Germans from elation to despair was equally marked. In the words of the German chancellor, Hertling, the Central Powers had expected



MILITARY OPERATIONS OF THE UNITED STATES IN FRANCE

Courtesy of the United States War Department

"grave events in Paris for the end of July. That was on the 15th. On the 18th even the most optimistic among us knew that all was lost. The history of the world was played out in three days." Indeed, before the Marne salient was completely cleared of German troops, the Allied commanders decided to assume the offensive along the whole Western Front. Accordingly on August 8 General Haig struck the German lines in the third battle of the Somme in front of Amiens, gaining seven

miles at once on a twenty-five-mile front, and by August 18 this salient, like that of the Marne, had been removed. On August 18 and 19 two more thrusts were made against the German lines, one at the junction of the Aisne and the Oise by the French and the other in Flanders by the British. In both instances the Allied lines were moved forward for substantial gains. In these operations four American divisions participated. Thus, by the end of August the areas lost in the great German advances of the spring and early summer had been completely regained, and everywhere the Allied troops were waging an aggressive, determined offensive.

#### THE REDUCTION OF THE ST. MIHIEL SALIENT BY THE FIRST AMERICAN ARMY

As a result of the valor displayed by the sixteen American divisions which had participated in the fighting on the Western Front before August, 1918, and the improvement of the general outlook for the Allies, General Foch gave his belated approval to the urgent request of General Pershing for the formation of a separate American army. Accordingly, during the latter part of August and the early days of September, General Pershing assembled fourteen American divisions and organized them into the First American Army under his own command. This force, together with some 70,000 French troops which General Foch assigned to him, was intrusted with the difficult task of reducing the St. Mihiel salient, which the Germans had won in September, 1914, and had held successfully against many determined French attacks. It was a dangerous point in the battle line, as it was a projecting spur which "threatened the entire region between Verdun and Nancy, and interrupted the main rail line from Paris to the east." At the same time its reduction was desirable because "it covered the most sensitive section of the enemy's position on the Western Front, namely the Mézières-Sedan-Metz Railroad and the Briey Iron Basin." In the fall of 1918 the salient was defended by only 75,000 German troops of a rather poor quality. Furthermore, since most of the German reinforcements were being used to check the Allied offensive along

the remainder of the Western Front, there was little chance of their adding substantially to the number of its defenders. On the other hand, the Germans occupied a formidable defensive line. Against this General Pershing prepared to launch an attack with 216,000 Americans and 48,000 French troops with a reserve force of more than 200,000 men. For use in the operation he had assembled 2900 guns, 273 tanks, and the largest aviation force that had taken part in any single engagement in the war. As the Germans, realizing the hopelessness of holding their exposed positions against such a superiority of numbers, began to withdraw from the region, General Pershing launched his attack on September 12, three days earlier than he had originally intended. The American attack, which moved forward with precision, was irresistible. Indeed, within three days the salient was cleared and 16,000 prisoners and 443 guns with large quantities of military stores were captured. In his report to the government at Washington, General Pershing thus described the achievement: "The material results of the victory were very important. An American army was an accomplished fact, and the enemy had felt its power. . . . Our divisions concluded the attack with such small losses (less than 7000) and such high spirits that, without the usual rest, they were immediately available for heavy fighting in a new theatre of operations."

### THE MEUSE-ARGONNE BATTLE

In the succession of swift, sharp blows delivered by the Allied armies in the two months of fighting which culminated in the St. Mihiel drive the Germans had been forced back to the Hindenburg line, from which they had emerged in their spring offensive. There they checked effectually the Allied attacks. Indeed, the Hindenburg defenses, which extended from the North Sea to the Vosges Mountains, were a network of interwoven trenches averaging in width a distance of seven miles, over which a checkerboard of concrete machine-gun emplacements and concrete shelters protected by belt after belt of barbed wire had been spread. In these intrenchments the Germans felt reasonably secure. Nevertheless the victorious Allied leaders

resolved to strike simultaneously the German positions along the entire Western Front during the latter days of September.

In the assignment of sectors to the different armies General Pershing was allowed to choose between the Champagne and the Meuse-Argonne. He selected the latter section, although it was regarded as the most strongly fortified on the Western Front, because he maintained that the American troops alone possessed the offensive spirit necessary to success. Indeed, the French officers had pronounced the German positions there impregnable. Not only was the region rough and much of it covered with dense underbrush and timber, but the whole area to a depth of thirteen miles had been converted into a zone of defensive works. Behind this fortified line ran the Mézières-Sedan-Valenciennes railroad, on which the German armies in central and northern France were largely dependent for supplies and for a line of retreat in case of need. "The enemy," declared General Pershing, "must hold fast to this part of his lines or the withdrawal of his forces with four years' accumulation of plants and materials would be dangerously imperilled." He reasoned that under the circumstances its defense against a stubborn attack would necessitate the withdrawal of troops from the lines in front of the Allied armies, thus making the latter's advance less difficult.

Even before the St. Mihiel engagement was begun, elaborate plans were being made by the General Staff for the concentration of American troops on the Meuse-Argonne front; hence immediately after its termination the movement of men and supplies from that sector began. These plans were carried forward with such dispatch that by June 26, fourteen days after the opening gun was fired at St. Mihiel, fifteen American divisions with "about 2700 guns, 189 small tanks, 142 manned by Americans, and 821 planes, 604 manned by Americans," were concentrated on the Meuse-Argonne line ready for the assault, which began on the early morning of that day. The ensuing action lasted almost continuously until November 11, when the American advance was halted by the signing of the armistice. In that time the Americans had pushed their lines forward approximately thirty miles and had brought the German line of

communication along practically the whole American front within range of their big guns. They had occupied 560 square miles of territory, captured 26,000 prisoners, 847 cannon, 3000 machine guns, and large quantities of supplies. The Germans, who were heavily reënforced after the first onslaught, savagely contested every foot of ground that they were forced to surrender. The severity of the fighting is indicated by the fact that the casualty list of the United States exceeded 117,000. In the struggle nearly 2,000,000 men were engaged on both sides, including twenty-two American divisions.

### THE COLLAPSE OF THE CENTRAL POWERS

While the Meuse-Argonne drive was in progress the Belgian, British, and French armies, with whom six American divisions had been placed, pierced the Hindenburg defenses at a number of points and forced a rapid withdrawal of the German troops along the entire front. On November 11, the date of the signing of the armistice, all French territory with the exception of a few very small segments had been cleared of German soldiers, a third or more of Belgium had been reclaimed, and the German armies were in full retreat from Metz to the North Sea. Moreover, a Second American Army, under General Hunter Liggett, had been organized and was completing its preparations for a campaign in Lorraine against the fortified city of Metz.

The Central Powers were equally unsuccessful in other theaters of the world struggle. An Allied drive against Bulgaria from Salonika in September was successful beyond all expectations, and was followed by the unconditional surrender of that country. About the same time General Allenby inflicted a series of defeats on the Turks in Palestine, which culminated on October 30 in the signing of an armistice which amounted to virtually unconditional surrender. Late in October also the reorganized Italian armies delivered a smashing blow against the Austro-Hungarian troops in Italy, driving them back in confusion. With revolution at home and mutiny and disaffection in the army, the enemy could offer little resistance to the Italian advance. In this helpless situation Germany sued for peace. With



her allies eliminated as a factor in the World War, her armies in full retreat, and her own territory threatened with invasion, it was nothing short of suicide for Germany to continue the uneven struggle single-handed. She therefore followed the example of her late allies and asked for terms of peace.

#### THE MORALE OFFENSIVE AND THE PRELIMINARY PEACE NEGOTIATIONS

Closely associated with the collapse of the military strength of the Central Powers was the success of the carefully planned campaign of propaganda waged by President Wilson and the Allied leaders against the morale of the people in the enemy countries. Indeed, General Ludendorff in his memoirs attributed the failure of the German armies in August, 1918, to the complete breakdown of the national spirit. Certainly many circumstances other than military losses led to Germany's downfall, among which were the moral issues constantly stressed by President Wilson in his public addresses. The President's terse phrases with reference to a peace of justice, a war to end war, the struggle to make the world safe for democracy, and other idealistic utterances were calculated not only to bolster up the waning spirit in the Allied countries but to influence the attitude of the socialistic and liberal elements in the enemy countries.

Several circumstances placed the Allied countries on the defensive: the establishment of the Bolshevistic government in Russia late in 1917; its publication, as has been mentioned, of the secret treaties of the Allied Powers, including those of Czarist Russia, disclosing their imperialistic aims; and the announcement of the Bolshevistic formula for world peace with "no forcible annexations and no punitive indemnities." To counteract the effect of these disclosures Lloyd George and other leaders in England and France issued public statements early in 1918 outlining in specific language the main terms that would be considered by the Allies as a basis for peace. Meanwhile President Wilson in a series of addresses attempted to assure the German people that they need not fear the threats of Allied leaders. "Punitive damages," he declared, "the dismember-

ment of empires, the establishment of selfish and exclusive economic leagues, we deem inexpedient." At the same time he differentiated repeatedly between the German people and the German government, asserting that the object of the war was "to deliver the free people of the world from the menace of the actual power of a vast military establishment controlled by an irresponsible government." He maintained that with the German people the Allies had no quarrel, but rather a feeling of "sympathy and friendship."

Nevertheless, so long as the German Imperial Government, against which war had been declared, bade fair to attain military victory, little evidence of defection on the part of the German people was visible. Indeed, they accepted the treaty of Brest-Litovsk imposed on Russia with all its imperialistic terms with scarcely a protest. However, when victory changed to an ebbing tide of defeat, the German Imperial Government quickly lost its influence with the people, and they for the first time announced their adherence to the idealistic principles enunciated by President Wilson. Since, as a matter of fact, this was their only hope of avoiding the penalties of defeat which the victorious Allies were likely to impose, they grasped at it eagerly in their desperation.

The basis of President Wilson's peace program was embodied, early in January, in what came to be known as the "Fourteen Points." The first five of these were general in nature and, briefly summarized, were "open covenants of peace openly arrived at"; the freedom of the seas; equality of trade conditions; reduction of armaments to the lowest point consistent with domestic safety; and the adjustment of colonial claims, giving equal weight to the interests of the populations concerned and the equitable claims of their governments. The next eight points dealt with territorial and political problems of the warring nations and were more special in character. Among other things, they provided for the following: the evacuation of all Russian territory; the evacuation and restoration of free Belgium; the evacuation and restoration of invaded France including Alsace-Lorraine; the readjustment of the Italian frontiers along lines of nationality; autonomous development for Austro-

Hungarian peoples; Balkan reconstruction and restoration with a free and secure access to the sea for Serbia; the freedom of the Dardanelles and of foreign nationalities under Turkish sovereignty; and the independence of Poland with an outlet to the sea. Though seemingly definite, these statements were really mere generalities; for the application in each instance was subject to interpretations that might alter fundamentally the general situation. The fourteenth point, however, was unmistakable and embodied the one issue in the war that lay nearest to the President's heart: "A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike."

With the progress of the military campaign of 1918 the Allied countries centered increasing attention on Wilson's program for peace. Indeed, its main appeal lay in its timeliness; for at that moment the world was groping anxiously for a definite statement of the fundamental issues involved in the struggle. Hence the undeniable idealism of his stand gave to President Wilson (temporarily at least) the moral leadership of mankind. In Germany, however, the Fourteen Points attracted little attention until the late summer of 1918, when defeat was staring the country in the face. Previously the German people generally had regarded President Wilson as an impractical idealist and a "tyrannical hypocrite." But the whole situation altered with the retreat of the armies along the Western Front. Then the Kaiser, sensing public sentiment, announced that he contemplated giving his people a greater share in the management of the affairs "of the Fatherland." Opposition to militarism spread throughout Germany, in many instances expressing itself in riots and demands for the abdication of the Kaiser and the establishment of a republic. These internal disturbances were encouraged by tons of propagandistic literature which were dropped from Allied planes and were sent into Germany by secret agents.

The movement culminated in the resignation of Chancellor von Hertling and his replacement by Prince Maximilian of Baden, an avowed advocate of peace. On October 4 the new chancellor asked President Wilson to open negotiations for peace

between the warring nations on the basis of the Fourteen Points and the President's later pronouncements, especially his speech of September 27. To avoid the further shedding of blood, Prince Maximilian requested that an armistice be established immediately. In the exchange of notes President Wilson expressed his unwillingness to make peace so long as armed German and Austrian troops were on the soil of France and Belgium and so long as the "military masters and monarchical autocrats" of Germany were in control of the government. In reply Prince Maximilian assured the President that the civil authorities were in control of the government, that the troops would be withdrawn as rapidly as possible, that the submarine policy had been abandoned, and that the constitution would be democratized in the near future. After being convinced of the sincerity of these assurances President Wilson transmitted the German proposals to the Allied Powers, who on November 4 completed a statement of the terms under which the war might be terminated, the acceptance of which would be followed by the establishment of an armistice by the military chieftains.

### THE ARMISTICE

Accordingly on November 7 the representatives of the German government met Marshal Foch and the Allied military leaders and learned the conditions under which an armistice might be established. Since the Allied commanders, including General Pershing, wished to continue the war until German territory had been entered and the superiority of their strength demonstrated on German soil, they were reluctant to yield to the wishes of the civil authorities. Moreover, they insisted that such drastic terms be imposed on their enemies that any chance of renewing the war would be completely eliminated. Hence they demanded of the Germans the immediate evacuation of France, Belgium, Alsace-Lorraine, and Luxemburg; the surrender of all Germany west of the Rhine, together with extensive bridgeheads at Cologne, Coblenz, and Mainz, which were to be occupied by Allied troops; the establishment of a neutral zone to the east of the Rhine; the renunciation of the treaty of Brest-

Litovsk; the withdrawal of all troops from Austria-Hungary, Turkey, Rumania, and Russia; and the surrender of 10 battle-ships, 6 cruisers, 50 destroyers, all their submarines, 5000 guns, 25,000 machine guns, 5000 locomotives, and 150,000 cars.

Regardless of the severity of these terms, the acceptance of which would necessarily leave her entirely at the mercy of her enemies in fixing the terms of the final treaty of peace, Germany could do nothing but accept. Even the military leaders admitted that a continuance of the struggle was useless. Furthermore, as a result of intense anti-government sentiment and general rioting, on November 9 the Kaiser and the Crown Prince signed letters of abdication and renunciation and fled to Holland. Within the forty-eight-hour time limit the Germans accepted unconditionally the Allied requirements for the armistice, and on November 11 at eleven o'clock in the morning the war was officially brought to an end. In a public announcement of the signing of the armistice President Wilson informed his countrymen, "Everything for which America fought has been accomplished"; and he continued, "It will now be our fortunate duty to assist by example, by sober friendly counsel, and by material aid in the establishment of just democracy throughout the world."

### THE COST OF THE WAR

In the course of the war 1,390,000 American soldiers appeared on the fighting line in France, one regiment of infantry fought with the Italians in the campaign against the Austrians in October, 1918, and three battalions of infantry and three companies of engineers served in Russia. The American Expeditionary Force participated in 13 major engagements, and at the date of the armistice was occupying 100 miles of the Western battle front. The total casualties were 50,280 killed in action and dead of wounds and 205,690 wounded. These figures do not include the large number who died from disease and other causes. The casualty list of the First Division was 21,612 and that of the Second Division 22,230. Twenty-seven different divisions had casualty lists exceeding 1200 each. Though these figures seem large, they are small when compared with those of the

European nations engaged in the war. Russia alone had a battle death list of 1,700,000; Germany, 1,600,000; France, 1,385,000; Great Britain, 900,000; Austria-Hungary, 800,000; and Italy, 364,000.

Equally startling was the financial cost of the war. Though it is impossible to estimate with any degree of accuracy the tremendous losses to business, the direct costs to the different governments may be indicated by the extent of their post-war debts. That of the United States increased from \$1,300,000,000 to nearly ~~\$24,000,000,000~~ exclusive of the large loans to the Allied nations. Unfortunately this represents only a small part of the total cost of the war to the government; for, according to the statements of financial experts, pensions, bounties, and other indirect payments to the veterans will raise these figures in time to at least \$100,000,000,000. At the close of the war, however, the American debt was only about 10 per cent of the aggregate wealth of the nation as compared with 60 per cent for Italy, 50 per cent for Germany, and 40 per cent for Great Britain and France.

## CHAPTER XXIX

### THE TREATY OF VERSAILLES

#### PROBLEMS OF THE PEACE CONFERENCE

Although the signing of the armistice on the morning of November 11, 1918, terminated the war, the task of formulating the terms of peace to be forced on Germany and her allies remained to be consummated by a great conference of representatives of the twenty-eight victorious nations soon to be assembled at Paris. Meanwhile, in compliance with the provisions of the armistice Germany began at once the withdrawal of her troops from the invaded area and the demobilization of her military establishment both on land and on sea. As a further guaranty against any possible renewal of the war by the Central Powers, an army of occupation, including the Third Field Army, which had been organized by General Pershing during the battle of the Argonne, took up strategic positions along the Rhine. At the same time preparations were made to send home all the remaining American soldiers as rapidly as transportation could be provided, an undertaking which, because of the withdrawal of foreign tonnage from American service, presented many grave problems and which under the most favorable conditions would require many months. In the United States the camps were emptied within a few weeks, a drastic reduction of the thousands of war-time civilian employees was begun, and the restrictions on industry that had been imposed by the War Industries Board were relaxed. Indeed, so rapidly had the work of demobilization gone forward that President Wilson in his message to Congress on December 2 spoke with confidence of the speedy resumption of the ordinary course of life.

With the passing of time, however, the problems of peace, with which the leading statesmen of the world were forced to grapple, became increasingly complicated. Not only had the

economic and political life of the warring nations been altered materially to meet the needs of armed forces on the battle fronts, but hundreds of billions of the world's wealth had been destroyed and millions of acres of fertile land and extensive industrial areas had been devastated. To the eight million and more soldiers whose lives had been sacrificed in the conflict was added a much greater number of civilians who had fallen prey to the ravages of famine and disease. Bankruptcy and anarchy threatened to overwhelm the peoples of the victorious and the vanquished nations alike. Moreover, the downfall of the autocratic governments of Russia, Germany, Austria-Hungary, and Turkey liberated numerous nationalistic groups who for many decades had been clamoring for freedom and who now demanded the full realization of their aspirations regardless of the conflicting interests and claims of their rivals; and at the same time Bolshevistic propaganda was making extensive inroads into central and eastern Europe.

While these tendencies were assuming dangerous proportions, questions connected with the final peace treaty, such as the distribution of indemnities and reparations from Germany and her allies, the disposal of the German colonies, and the remaking of the boundaries of the old as well as of the new nations of Europe that had been involved in the war, aroused the bitterest controversies and threatened to embroil the victorious powers in a struggle over the disposition of the spoils. The peace of justice of which President Wilson had often spoken was in danger of being replaced by a peace of revenge. Even in England, Lloyd George and his party had won a sweeping victory at the polls on the issue that Germany should be compelled to pay the entire cost of the war, and Clemenceau in France had received a popular verdict on a similar program. At the same time interest in a League of Nations and in other proposals for the outlawry of war, which had become the cardinal feature of President Wilson's international creed, were being shoved into the background for more immediate and "practical" considerations. A peace of justice was threatened further by "secret treaties" negotiated during the war by the Allied Powers, by which extensive territorial and other concessions had been prom-



ised to Japan, Italy, and Rumania for their assistance. Although these and other secret agreements among the Allies did not directly involve the United States, since most of them were made before her entry into the war, they were at variance with the war aims of the American government, which asked neither monetary nor territorial indemnities. Indeed, her only demand was for the establishment of the League of Nations, which President Wilson regarded as a benefit to the entire world and as the foundation for the movement to end for all time the scourge of war.

### THE PEACE COMMISSION OF THE UNITED STATES

Meanwhile in the United States a succession of events, together with a number of serious political blunders on the part of the President, was beginning to destroy his influence at home and to weaken his prestige at the Peace Conference. Opposition to the proposed League of Nations was developing so fast both in and out of Congress that many political leaders in the United States feared lest Wilson's idealism might cause him to sacrifice some of the basic interests of the country in the coming world settlement. Though both political parties had rallied to the support of the government during the war, the closing weeks of the struggle had witnessed a growth of antagonism to what was termed the autocracy of Wilson and a marked tendency on the part of Republican politicians to withdraw their support from the war program of the Democratic administration. Action in these directions was deferred, however, because a direct party appeal in time of national danger was such an uncertain expedient that the Republicans were reluctant to resort to it. Fortunately for them President Wilson was prevailed upon shortly before the congressional elections in November, 1918, to issue a fervent appeal for the election of a Democratic Congress on the ground that in the settlement of the many domestic and international problems growing out of the war unified leadership was essential. This furnished the Republicans an opportunity for which they had been waiting. Partisanship of the bitterest type immediately revived. In the November election the Republicans polled an aggregate majority of 1,200,000 votes and came

into control of both Houses of Congress. Of special significance was the fact that the Committee on Foreign Affairs in the Senate, through whose hands any treaty which the administration might negotiate would pass, would have as its chairman after March 4, 1919, Henry Cabot Lodge, an outspoken and influential opponent of President Wilson's peace program. Consequently, in view of the extent of the popular repudiation of the Democratic administration, special concessions on the part of the President to the Senate and to the dominant party, with whom he would soon be compelled to work, were highly advisable.

Nevertheless, in the appointment of the peace commission, which consisted of Robert Lansing, Secretary of State, Edward M. House, who had acted since 1914 as Wilson's confidential agent, General Tasker H. Bliss, the representative of the United States on the Supreme War Council, Henry White, who had been in the diplomatic service at Vienna, London, and Paris, and Wilson himself, the President ignored the Senate and named as the only Republican member of the group Mr. White, who had not been active in party affairs. The announcement of the commission was received with disappointment by both the friends and the foes of the administration and with outspoken hostility by the Senate. The Republicans were incensed that such men as Root and Taft, both of whom were pledged to the most important items in Wilson's program, had not been appointed. As to the wisdom of Wilson's decision to head the peace commission and thus to be absent from the country for many weeks at a time when the problems of domestic reconstruction demanded immediate consideration, much difference of opinion prevailed; and his action occasioned the most hostile attacks, especially from Republican spokesmen, who maintained that he no longer represented the opinion of the majority in the United States. Wilson justified this step on the grounds that the premiers of the leading nations of Europe would be at Paris to represent their respective governments and that, inasmuch as the peace was to be based on his Fourteen Points and other public utterances, he felt obliged to make every effort to insure the realization of the ideals which they expressed. As a matter of fact, the leading statesmen of the Allied Powers were actually preparing at that time to set aside

his plan and substitute the old political order. In England Lloyd George was demanding the execution of the Kaiser and the imposition on Germany of an enormous financial indemnity, while the leading French statesmen, headed by Premier Clemenceau, proposed to reconstruct central Europe in accordance with French interests. Similar expressions were coming from Italy, whose leaders proposed to extend the national boundaries far into the Trentino and along the Adriatic. In America Theodore Roosevelt attempted to impress on Europe the fact that Wilson no longer represented American sentiment, and he urged the Allies to "impose their common will on the nations responsible for the hideous disaster which has almost wrecked mankind."

#### THE ORGANIZATION OF THE PEACE CONFERENCE

The bitter criticism which was heaped on Wilson at home and the decided drift away from his peace principles which was evident throughout Europe made the President all the more determined to go to Paris to fight the issue through to a finish. Accordingly on December 4, after delivering his annual message to Congress, he in company with a corps of approximately thirteen hundred experts departed for France, where he landed after a ten days' voyage. In the various cities in France, England, and Italy which he visited during the next two weeks, pending the arrival of the delegations from the other Allied Powers, he was received by the masses of the people and the liberals with an ovation almost unparalleled in the history of Europe. To them, a majority of whom did not understand the intricacies of the American political system, he was by virtue of his office the actual spokesman of public sentiment in the United States and the decisive leader whose democratic idealism had crystallized in speech the vague war aims of the Allied Powers while it had done much to disintegrate the morale of the enemy.<sup>1</sup>

<sup>1</sup> A keen observer of world politics in commenting on Wilson's triumphant tour of Europe said: "Never before were the nations so eager to follow a Moses who would take them to the long promised land where wars are prohibited and blockades unknown. . . . In France men bowed down before him in awe and affection. . . . The Germans regarded him and his humane doctrine as their sheet-anchor of safety."

He received hundreds of petitions from the nationalistic groups of Europe that were struggling to obtain an independent status and from the poverty-stricken masses throughout the world urging America to aid them in their special aspirations or to relieve some dire need. In his several addresses in England and on the Continent he pledged his support in the Peace Conference to the principle of the right of "self-determination" of peoples, to the ideal that government must rest on the "consent of the governed," and to the creation of a world association for mutual aid and protection; in short, a League of Nations, which he declared to be the cardinal feature of his program. The difficulties in the way of satisfying even the simplest of the numerous appeals that were made to him, however, were scarcely short of insurmountable, as Wilson fully appreciated.

In the course of time the preliminary arrangements for the Conference were completed, and on January 18 the representatives of the Allied Powers (Germany had no delegate in the Conference) began their sessions in the hall of the foreign-office building on the Quai d'Orsay at Paris with Premier Clemenceau as the permanent chairman. In addition to the official delegations to this notable gathering, the most prominent of whom were President Wilson and E. M. House from the United States, Lloyd George and Arthur J. Balfour from Great Britain, Georges Clemenceau and André Tardieu from France, V. E. Orlando and Sidney Sonnino from Italy, and Eleutherios Venizelos from Greece, there were several hundred diplomatic attachés and technical advisers, in whose ranks were to be found the leading business and professional men of Europe. Unlike previous conferences of this sort, the proceedings were marked by a pronounced lack of frivolity, formality, ceremonialism, and pomp. The delegates addressed themselves to the tasks at hand with unceasing labor.

Soon after the deliberations were begun the organization was found to be too large and unwieldy to work with dispatch and efficiency. Consequently the direction of affairs was placed first in the hands of the Council of Ten, composed of two representatives from each of the five powers, England, France, the United States, Italy, and Japan, and later in those of the so-called Big Four — Wilson, Lloyd George, Clemenceau, and Orlando. In

spite of the protests of the smaller countries and the utterances of President Wilson in behalf of the "rights of small nations" and of "open covenants openly arrived at," the leaders found it advisable to exclude the public from the sessions of the inner group in order that frankness and directness of negotiations might be possible. No official records were kept of these discussions, and only such information as the Big Four sanctioned was released for publication. Although the decisions reached by this body were submitted to the general Conference for approval, this small group of men directed the course of action and in the end forced the acceptance of its wishes on all important questions.

In order to expedite work a definite calendar of proceedings was adopted, and some fifty-eight committees were appointed for the consideration of such questions as the disarmament and the demobilization of Germany, the allocation of the colonies, the determination of the boundaries of the newly created nations of Europe, the fixing of indemnities and reparations to be imposed on Germany, the restoration of equitable trade conditions, the establishment of a League of Nations, the development of transportation, the creation of conditions satisfactory to labor, and the alleviation of misery and distress throughout the world. So involved and difficult were most of these problems that many weeks necessarily elapsed before the findings of the respective committees could be brought before the general Conference. The situation was complicated further by the fact that at that time a large portion of the world was seething with unrest. England's authority was being contested in both India and Egypt, no less than sixteen wars were in actual progress, and Bolshevism was making substantial gains throughout Europe and Asia. In Germany, Austria, Hungary, and central and eastern Europe in particular, riots and revolutionary movements followed each other in rapid succession.

### THE COVENANT OF THE LEAGUE OF NATIONS

Regardless of the fact that the Allied Powers had agreed to Wilson's Fourteen Points as a basis for peace, with but two reservations, — one exempting the freedom of the seas from con-

sideration and the other approving the Allied plan of forcing Germany to make full compensation for damage done to civilians, — the American commissioners at Paris soon saw that a realization of their program could be attained only after a bitter struggle and that possibly important concessions must be made. Especially was this evident in connection with the adoption of a League of Nations, the determination of the amount of indemnity to be paid by Germany, the disposal of the German colonies, the fulfillment of the terms of the secret treaties, and the meeting of the extreme demands of the smaller nationalities. <sup>ii</sup>

At the very beginning of the sessions of the Conference, Wilson was successful in having himself appointed chairman of a special committee to draft a plan for a League of Nations; and on January 25, 1919, a general session approved without a dissenting vote the principle of the League together with a clause to the effect that the proposed League "should be created as an integral part of the general treaty of peace, and should be open to every civilized nation which can be relied upon to promote its objects." Immediately after this action Wilson, in coöperation with Lord Robert Cecil of England, General Jan Smuts of South Africa, Léon Bourgeois of France, Eleutherios Venizelos of Greece, and others, devoted himself to the task at hand with such industry and perseverance that in the incredibly short period of less than three weeks the Covenant of the League had been completed. On February 14 it was approved officially by a plenary session of the Conference. Thereupon President Wilson returned to Washington to explain its provisions and to discover ways of meeting the objections of several prominent public men in America, as well as more particularly to be present for the adjournment of Congress on March 4.

The machinery of the League as defined by the Covenant provided for the establishment of an executive council representing nine powers — the United States, England, France, Italy, Japan, and four other nations to be designated by the deliberative Assembly, a body composed of all the members of the League. All the decisions of the Council required a unanimous vote. The permanent active working force of the organization was to be vested in a Secretary General and a staff of assistants, with head-

quarters in Geneva, Switzerland. The individual members of the League were to pledge themselves not to make war without first submitting the question in dispute to arbitration or to the consideration of the Council. A violation of this provision constituted an act of war against the League itself, which upon recommendation of the Council might exercise military force or establish an economic boycott against the offending state. Other provisions attempted to furnish means for the attainment of military and naval disarmament, for the establishment of a Permanent Court of International Justice, for the registration of all treaties with the League with the ostensible purpose of destroying the system of secret diplomacy, for the imposition of mandates or the providing of governmental machinery for the former German colonies, and for the fulfillment of a variety of international pledges dealing with economic and social questions. Article X, which Wilson characterized as the "heart of the Covenant" and around which the opponents of the League in America centered their attack, stated: "The members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. In case of any such aggression or in case of any threat or danger of such aggression, the Council shall advise upon the means by which this obligation shall be fulfilled."

When President Wilson arrived in America he found that the opposition to the League was indeed formidable. Many questioned the wisdom of the League itself, and some feared that the United States through it might become involved in European politics and in a series of wars in which it had no direct interest. Still others objected to the incorporation of the League in the general treaty on the ground that the League was of sufficient importance to justify prolonged separate consideration. Shortly before the adjournment of Congress, Senator Lodge asked the unanimous consent of the Senate for the introduction of a resolution refusing to support the League as then constituted and requesting the President to negotiate an immediate peace with Germany. Upon the Senate's refusal to entertain his resolutions he announced that he had the pledge of a sufficient number of

votes to defeat the ratification of the treaty. As a means of forcing an extra session of the newly elected Congress, a filibuster was used to block the regular appropriation bills as well as other important legislation. The unfortunate statement of President Wilson in an address in New York on the night preceding his departure for Europe, that "when that treaty comes back, gentlemen on this side will find the covenant not only in it but so many threads of the treaty tied to the covenant that you cannot dissect it from the treaty without destroying the whole vital structure," appeared in the light of a challenge and later added greatly to his difficulties.

To his great surprise, on his arrival in Paris on March 14 he discovered not only that Lansing was opposed to the League but that the latter and the other American delegates had consented to shelve the League in the interest of immediate peace. Furthermore, France was demanding a greater degree of security along the Rhine, Italy was declaring her intention of holding up peace until her claims to territory along the Adriatic were conceded, Germany was being threatened with annihilation through the medium of punitive indemnities, and the secret treaties were being brought forth again with a strong disposition on the part of the great powers to execute them in their entirety. In the face of this situation Wilson set about the task of recovering the ground lost during his absence. In time he succeeded in reincorporating the League Covenant in the treaty and added to it a number of amendments proposed by Taft, Root, and others, among which were the express exclusion of the Monroe Doctrine and domestic questions from the jurisdiction of the League and the right of any nation to withdraw after a two years' notice. To obtain these concessions, however, he was forced to sacrifice some of the leading tenets of his peace program.

#### OTHER PROVISIONS OF THE TREATY OF VERSAILLES

The treaty in its final form, a document of eighty thousand words, was presented to the Germans on May 7. Though they were not permitted to enter into any discussion of the treaty itself, they were granted the privilege of presenting in writing



their "observations," a task which had to be completed within the short space of two weeks. The terms were indeed severe. Among other provisions Alsace-Lorraine was ceded to France, and extensive areas were awarded likewise to Poland, Belgium, and Denmark. At the same time Germany was forced to surrender her colonies and dependencies, embracing an area of a million square miles,<sup>1</sup> to reduce her army to not more than a hundred thousand men, to demolish her fortifications in large areas, to consent to Allied occupation of strategic points along the Rhine for a period of fifteen years, and to pay in money and in kind the approximate sum of \$5,000,000,000 before May 1, 1921, and during the following thirty years a sum equal to the maximum ability of Germany to pay in reparations, the exact amount to be determined annually by an inter-Allied Reparations Commission. Other provisions of the treaty which occasioned much criticism in the United States were those related to the apparent violation of the principle of self-determination and the rights of nationalities through territorial and other concessions, particularly those granted to Italy in Fiume, to France in the Saar Basin, and to Japan in Shantung. Especially objectionable were the security treaties negotiated by the United States, Great Britain, and France by which the two former agreed to go to the aid of France in case she was attacked by Germany.

Although protesting that the treaty was not based on the principles embodied in the Fourteen Points which it had accepted in its surrender, the German government was forced to bow to the inevitable. On June 28 its representatives met those from the Allied Powers in the famous Hall of Mirrors in the palace of Versailles, where they officially signed the treaty.

After the completion of the treaty of peace with Germany the Allies carried on similar negotiations with Austria, Hungary, Bulgaria, and Turkey.

<sup>1</sup> Instead of distributing the German colonies among the Allied nations, as had been customary in the past, Wilson secured the adoption of the principle of "mandates," by which the individual colonies were to become the property of the League of Nations, but were to be administered by trustee nations for the benefit of the colonies and with the ultimate object of preparing them for complete independence.

## THE SENATE AND THE TREATY OF VERSAILLES

Before the work of the Peace Conference had been completed Congress had assembled (May 19) in extra session at the call of the President, for the purpose of acting on the ordinary appropriation bills, the passage of which at the last session had been blocked by the Republican filibuster. It was not until July 10, however, two days after Wilson's return to the United States, that the Treaty of Versailles was presented to the Senate with a request for ratification. Meanwhile its terms had become known and were being widely discussed. In general, the work of the Conference was approved by many prominent men of both parties, among whom were Taft and Herbert Hoover, and by organized groups, such as business men, women's organizations, labor, and the Federated Council of Churches. At the same time opposition, particularly to that portion dealing with the League of Nations, was quite general. A small group of influential political leaders, mostly Republicans, headed by W. E. Borah, Hiram Johnson, Robert M. La Follette, Miles Poindexter, and James A. Reed, was bitterly opposed to America's entrance into any kind of international league for the forcible maintenance of peace; and a large element in both parties disapproved of many provisions of the Covenant as adopted by the Peace Conference. They objected chiefly to Article X, to the system of representation in the League Assembly (which gave to the British Empire six votes to one from the United States), and to the indefiniteness of many clauses relating to domestic problems, the Monroe Doctrine, and the submission to the arbitration of a foreign tribunal of vital questions, as well as to other features which appeared to deprive Congress of many of its recognized rights. In addition, there was much partisan hostility to President Wilson, which in the Senate was especially pronounced because of his repeated disregard of its time-honored prerogatives and his failure to share with that body the task of formulating the treaty.

As a matter of fact, the fight in the Senate against the treaty began a month before its actual presentation, when Philander C. Knox of Pennsylvania, a member of the cabinets of Roosevelt

and Taft, introduced a resolution providing for the separation of the League from the treaty on the ground that the Peace Conference had exceeded its authority in creating a League. While this proposition was under consideration a letter written by Elihu Root was made public (June 21), in which he approved Knox's resolution and advocated a number of alterations in the League Covenant. It was around these proposals that the opposition in the Senate concentrated its efforts after the formal submission of the treaty for consideration. In conferences with the Committee on Foreign Affairs and with individual senators President Wilson attempted to explain the various provisions of the treaty. Although objecting to the addition of any amendments because of the difficulty of securing their acceptance by Germany and the other signatory powers, he expressed his willingness to accept reservations which did not modify the meaning of the treaty, provided they were not made a part of the instrument of ratification. Changes which were found to be desirable, he maintained, could be made by the League after its establishment. Furthermore, he professed to believe that America's interests were carefully safeguarded by the instrument as it stood. He insisted that the much-discussed Article X, which put "teeth" into the Covenant, should not be weakened by reservations or amendments. He failed utterly, however, in his effort to change the attitude of Senate leaders.

Accordingly, late in August he decided to appeal directly to the country with the idea of bringing indirect pressure to bear on the Senate to alter its position. After he had delivered some thirty addresses in the Middle West and Far West without any appreciable effect on public opinion, his health gave way, and he returned hastily to Washington. Though his condition improved, he was practically incapacitated for transacting any official business for several months; and during the remainder of his term his physical power was so weakened that the task of administering the government had to be delegated for the most part. Senator Hitchcock and others did what they could to carry on the League fight, but the odds against them steadily grew stronger.

On November 19 the leaders of the opposition secured the approval by the Senate of fourteen reservations after Wilson

had characterized them as a "nullification of the treaty" and had urged "all true friends of the treaty" to vote against them. However, as it was impossible to obtain a majority vote on the treaty either with or without the reservations, it was tabled. In the long discussions all groups displayed unnecessary irritation, and personal animosities further complicated the situation. After this November vote the mild reservationists in both parties worked diligently and constantly to bring about a compromise, but to no avail. Neither Wilson nor Lodge appeared inclined to make the concessions necessary to an agreement; and the former on the occasion of the Jackson Day dinner (January 8) recommended that the question be submitted to the voters of the nation in the next election in the form of "a great and solemn referendum." Bryan and other leaders in both parties opposed this proposal and continued their efforts in behalf of a compromise. When the final vote was taken on March 19, however, the necessary two-thirds majority could not be obtained for the treaty with or without the reservations that had been agreed to. It was thereupon returned to the President.<sup>1</sup> Resolutions by the two Houses of Congress declaring the war with Germany at an end were vetoed by the President, with the result that both the war and a considerable amount of legislation enacted for its duration, such as the Espionage Act, were technically continued in operation. Shortly after the adjournment of Congress, in the early summer of 1920, Senator Lodge announced, "If the President desires to make a campaign issue on the treaty, the Republicans are willing to meet that issue."

Any attempt to fix with any degree of certainty the responsibility for the failure of America to enter the League of Nations is futile. Certain it is, however, that the responsibility must be shared by both the President and the Senate, for political partisanship, personal animus, and obstinacy characterized the entire consideration of the question. In their final form the reservations would not have altered materially the efficiency of the League, and probably they would have been acceptable to the other member nations. At that time, as on previous occasions,

<sup>1</sup> Party lines were obliterated in the balloting; 34 Republicans and 23 Democrats voted for ratification, and 15 Republicans and 24 Democrats opposed it.

coöperation by the President with the moderate reservationists in both parties might have insured the ratification of the treaty. Certainly some sort of league was essential, and the time for its establishment was opportune; but America's participation in it was delayed and possibly permanently prevented because neither Wilson nor the leaders of the dominant party in the Senate were willing to recede from their extreme positions. The incident was unfortunate, for it was a complete reversal of the basic principles for which the United States had professed to be fighting. Thenceforth the American people appeared to the nations of the world as narrow, selfish nationalists who were unwilling to share in the risks and the responsibilities of building up a new and better international order.

#### THE LEAGUE OF NATIONS AND THE CAMPAIGN OF 1920

During the last stages of the personal controversy between the President and the Republican leaders in the Senate over the ratification of the Treaty of Versailles, preliminary plans were being made by both political parties for the nomination of candidates for the presidential election in the coming fall. Though it was the wish of Wilson and others that the League of Nations should be made the major issue in the campaign, so many domestic questions were demanding an early settlement that this could not be wholly realized. Economic conditions in the United States, as in other sections of the world, were unsettled, labor was restless, and industrial disturbances were widespread. Furthermore, the prolonged discussion of the League question in the Senate and throughout the country had led the masses of the people to a certain apathy concerning it. Nevertheless the party managers persisted in their plans to feature it in the approaching campaign, and that, too, in the face of the fact that neither of the great parties was united on the question.

Before the meeting of the Republican national convention on June 8 considerable support had been gained for the candidacies of General Leonard Wood, an associate of Theodore Roosevelt,<sup>1</sup>

<sup>1</sup> When Roosevelt died (January 6, 1919) he was being mentioned frequently as the logical presidential nominee for 1920.

who was thought to embody something of the latter's spirit and political creed; of Frank O. Lowden, the wealthy and efficient governor of Illinois, who had the support of business men in general; of Hiram Johnson, the vice-presidential candidate on the Progressive ticket in 1912 and the personification of irreconcilable opposition to the League in 1920; of Herbert Hoover, whose management of Belgian relief and the food dictatorship during the war, together with his lack of contact with professional politics, had won for him a large following among liberals and League supporters; and of Warren G. Harding of Ohio, a conservative in politics and a reservationist on the treaty, who had the backing of many of the leaders in the Senate. In the pre-convention campaign the strength of both Lowden and Wood was seriously jeopardized by revelations as to the large funds expended by their admirers to secure their nomination, while the radical utterances of Johnson practically eliminated him from the contest. At the same time the inability of Hoover to attach to his standard members of the regular party organization greatly minimized his chances of success. Consequently, after a few preliminary ballots had been cast, Harding, who had been among the minor candidates at the start in point of actual votes, was given the nomination. Calvin Coolidge, governor of Massachusetts, a man without any considerable experience in national politics but one who had recently attained great popularity in business and conservative circles through his maintenance of law and order during the policemen's strike in Boston, was named as the vice-presidential candidate.

After an arraignment of President Wilson and the Democratic administration, whose "policy" had "been founded upon no principle and directed by no definite conception of our nation's rights and obligations," the platform unqualifiedly indorsed the conduct of the Senate in rejecting the Treaty of Versailles. With reference to the League of Nations it stated: "The Republican party stands for agreement among the nations to preserve the peace of the world. . . . We believe that all this can be done without the compromise of national independence. . . . The Covenant signed by the President at Paris failed signally to accomplish this great purpose, and contains stipulations not only

intolerable for an independent people but certain to produce the injustice, hostility, and controversy among nations which it proposed to prevent." By condemning the League and pledging the party to accomplish the same purpose by means less dangerous to American independence the leaders hoped that all elements in the party might be brought to support the ticket. In the canvass which followed, the official statements of Harding were so cautious and, incidentally, so contradictory that it was difficult to determine with any degree of accuracy just what his policy was with reference to the treaty and the League. In the end, however, he succeeded in winning the support of the irrec-  
oncilables as well as that of such advocates of the League as Taft, Hoover, Root, Hughes, and Lowell.

The Democratic convention assembled on June 28 at San Francisco. There, as at Chicago three weeks before, strong leadership was absent. Wilson, having lost his health and much of his prestige, made no special effort to influence the course of the proceedings other than to make an urgent request that the convention nominate a man who would support the stand that he had taken on the League of Nations. Although a member of the convention, Bryan, who had been a dominant factor in party affairs for more than a quarter of a century, had lost much of his interest in politics; and in spite of the fact that he fought valiantly but unsuccessfully for the insertion of a "dry" plank in the platform, he exerted little influence on that body. For several years he had disapproved of much that Wilson had done, and more recently in particular he had advocated the acceptance of the reservations proposed by the Republican Senate and had doubted the wisdom of making the League a party issue in the presidential campaign. Of the thirteen candidates for the nomination in the convention W. G. McAdoo (son-in-law of President Wilson and ex-Secretary of the Treasury), A. Mitchell Palmer (the Attorney-General), James M. Cox (governor of Ohio), Alfred E. Smith (governor of New York), and E. T. Meredith (Secretary of Agriculture) led in the balloting. On the forty-fourth ballot, however, Governor Cox received the two-thirds majority necessary for the nomination. For the vice presidency

Franklin D. Roosevelt, the Assistant Secretary of the Navy, was chosen. In compliance with the wishes of President Wilson the platform advocated "the immediate ratification of the treaty without reservations which would impair its essential integrity." The nominee accepted the League as the leading issue in the campaign and advocated its ratification with or without reservations, although the character of the reservations which he was willing to accept was never clearly disclosed.

The canvass was interesting in that neither of the presidential candidates was a man of much more than local prominence or mediocre ability. Both came from Ohio, both had attained wealth and distinction as journalists, both were compromise candidates, and neither represented the best leadership of his party. Though many issues were discussed that influenced to a certain extent the final results in the campaign, the main question was the League of Nations, with the suggestion that a World Court or some other type of organization might be established in its place if the nations of Europe would agree to the proposal. The outcome was a sweeping victory for the Republicans, who polled 16,152,000 popular and 404 electoral votes to 9,147,000 popular and 127 electoral votes for the Democrats. All the Northern and Western states as well as Oklahoma, Missouri, Tennessee, and Maryland were placed in the Republican column. In the House of Representatives their majority was 177, in the Senate 22, and twenty-nine of the thirty-five states holding elections in 1920 chose Republican governors. Of course the question arose as to whether the election could be interpreted as a direct repudiation of the League of Nations. Many leading Republicans maintained that it was. The new president stated, "There can be no misinterpretation and there will be no betrayal of the deliberate expression of the American people." At the same time Vice President Coolidge doubted "if any particular mandate was given . . . on the question of the League of Nations." The latter was probably more nearly correct, for evidence is abundant to prove that a large element of Harding's supporters expected the Republicans to find a means of doing what the League of Nations had attempted without arousing



the fears that the Covenant had engendered. It is reasonably certain that no Democratic candidate who had the support of the administration could have won in the campaign of 1920, regardless of the issues.

### WARREN G. HARDING

The successor of Woodrow Wilson to the presidency, Warren G. Harding, with his mediocre mind and his ordinary standards of thinking and acting, presented a striking contrast to the former's brilliant intellect and high ethical code of public conduct. He was, however, genial, courteous, and affable, and many thought that his amiability would enable him to work harmoniously with other men, particularly with the dominant group in the Senate. He had been a man of only local significance. Indeed, he had risen in politics purely as the figurehead of the Republican machine in Ohio, later commonly referred to as the "Ohio gang." In his native state and elsewhere he had won his way through the graces of good fellowship rather than through original or positive convictions on any subject. His mission had been that of "errand boy" for his more gifted associates behind the scenes, a position for which his personality, his clarion voice, and his oratorical propensities fitted him admirably. It has been asserted, probably properly so, that in 1920 the people demanded a "leaderless nation." Indeed, for the previous twenty years Bryan, Roosevelt, La Follette, and Wilson had bored them with "burning convictions, curative or palliative panaceas or reforms," and now they wanted a rest from ideas that might develop into causes. Hence they turned to Warren G. Harding, whose slogan, "A return to normalcy," appeared the embodiment of their inner aspirations. A keen political observer of the time said of the new president: "He has never stood for any great cause. He knows very little, has no vision, very little sense of direction, and independence. He was not nominated to lead. He was selected because he was colorless and pliable. . . . He will play the game of the Senate. The Senate will be supreme. . . . What a trial it will be to have to witness Mr. Harding's efforts to think and his efforts to say what he thinks." Though

this estimate of the President may have been somewhat overdrawn, Harding deserves to be ranked as one of the weakest of all the presidents. Furthermore, his companions in politics were not of the best, and, like Grant, he was "wounded in the house of his friends."

Mindful of the criticism of his ability as well as that of the methods of his predecessor, he attempted to avail himself of the advice of the "best minds" in his party. He appointed a cabinet which had in its membership three of the most prominent and highly respected men in the country: Charles E. Hughes of New York as Secretary of State, Andrew Mellon of Pennsylvania as Secretary of the Treasury, and Herbert Hoover of California as Secretary of Commerce. Of the remaining cabinet members only Harry M. Daugherty of Ohio, the Attorney-General, who was named as a reward for political service to the President, was seriously objected to by any special group of citizens. Before many months had elapsed, however, graft and malfeasance in office were charged against several members of the administration, and in the end Albert B. Fall, Secretary of the Interior, Edwin F. Denby, Secretary of the Navy, and Daugherty resigned under pressure, but not until after the death of Harding.<sup>1</sup>

#### THE ESTABLISHMENT OF PEACE WITH GERMANY

In his message to Congress in extra session on April 11, 1921, President Harding discussed at length the position of the United States with reference to the Treaty of Versailles and the League of Nations in particular. Though disclaiming any intention on the part of his government to seek to share "in directing the destinies of the Old World," he expressed its willingness and

<sup>1</sup> The mysterious nature of the President's death at San Francisco on August 2, 1923, on the eve of the exposure of widespread corruption in connection with the governmental oil leases (especially in the Teapot Dome field in Wyoming), together with other scandals in which several cabinet members and other close political friends were involved, led to widespread rumors, for which there appeared to be some basis, to the effect either that the President had committed suicide to escape the ignominy of facing the situation or that his determination to prosecute the offenders had led to his murder by a satellite of the "corrupt political gang" which had been influential in his administration. ;

desire to associate "with the nations of the world, great and small, for conference and counsel, for the suggestion of plans of mediation, conciliation, and arbitration; but every commitment," he declared, "must be made in the exercise of our national sovereignty. . . . This is not aloofness but security. It is patriotic adherence to the things that have made us what we are." In compliance with his wishes resolutions were passed by Congress and were signed by the President (July 2), establishing peace with Germany and Austria. These included a declaration of the end of the war, the reservation to the United States of all rights and advantages accruing to her under the Treaty of Versailles, and the retention of the enemy's property until its status had been determined by treaties negotiated with Germany and Austria. These treaties were readily arranged with both powers and were ratified by the Senate on October 18, 1921. In the case of the German treaty the Senate added a reservation prohibiting the president from appointing representatives to serve on commissions and special committees of the League of Nations without its consent. With the exchange of ratifications of the treaty diplomatic relations were reestablished with Germany on January 1, 1922.

## CHAPTER XXX

### THE MOVEMENT FOR WORLD PEACE AND DISARMAMENT

#### THE ESTABLISHMENT OF THE LEAGUE OF NATIONS

While the controversy over the League of Nations was being waged in the United States, the Treaty of Versailles was ratified by the Allied nations. In compliance with its provisions President Wilson issued a call for the meeting of the Council of the League on January 16, 1920. The following November the Assembly held its first session. In a remarkably short period of time fifty-four countries, embracing all the leading states in the world with the exception of the United States, Russia, Turkey, Mexico, and a few small powers, had joined the organization. Meanwhile the League had established itself at Geneva, Switzerland, where an elaborate system of political machinery was instituted. This consisted of the Executive Council, which met thrice a year; the Assembly, which held annual meetings; a permanent Secretariat of some five hundred officials; a World Court; a World Labor Organization; and a number of permanent committees meeting regularly to consider various phases of international interest — finance, economics, transportation, mandates, health, drugs, social problems, and the like. In 1926 Germany formally entered the League. At about the same time the Great Powers decided that the meetings of the Assembly were of sufficient importance to justify the attendance of their respective Secretaries of Foreign Affairs.

The place which the League attained in international relations is indicated by the fact that at the tenth annual session of the Assembly nine prime ministers, twenty-one foreign ministers, a thousand diplomats, officials, and experts, and four hundred journalists were in attendance. Indeed, the League had become a center for international coöperation and progress. Of special

significance is the fact that for the first time in history the nations of the world were meeting under a permanent constitution. Furthermore, the scope of the League had become world-wide. Not only had the League assumed the responsibility for the execution of many provisions of the Treaty of Versailles, such as the repatriation of the prisoners of war, the supervision of the mandates, minorities, and special districts, and the registration of more than four thousand treaties, but it did much to alleviate the suffering of the war refugees and helped materially in the economic rehabilitation of Europe through promoting reconstruction loans and settling the question of reparations. By 1930 it had considered eighteen political disputes and made more than threescore judicial decisions involving nations in Europe, Africa, Asia, and America, thus averting several wars and causing appreciable progress to be made in the promotion of peace through arbitration, security, and disarmament. At the same time the work of special committees and of conferences had resulted in a marked development in finance, economics, and transportation, as well as in improvement of international social, cultural, and humanitarian relationships. Furthermore, the mere existence of the League is sure to lead to its greater use. The fact that it possesses the machinery for the settlement of international problems almost automatically tends to bring work to it. Thus, contrary to the predictions of the enemies of the League of Nations, its functions have steadily increased and confidence in it has grown until it has become a permanent international institution. "For these years," said Elihu Root, "the League in the political field and the Court in the judicial field have been rendering the best service in the cause of peace known in the history of civilization, incomparably the best."

### THE UNITED STATES AND THE LEAGUE OF NATIONS

Regardless of the unquestioned success of the League of Nations as an agency for the promotion of peace and the general welfare of the world, both the American government and the American people were slow in giving it due recognition. Although Woodrow Wilson was repudiated at home and for a time was very unpopular

in Europe, his part in the establishment of this great international undertaking came gradually to be appreciated. After his death, on February 3, 1924, a tablet was erected at Geneva inscribed "To the memory of Woodrow Wilson, Founder of the League of Nations"; and in the United States his contributions to the cause of world peace received more favorable consideration as the personal and political rivalries of the war period disappeared.

Meanwhile the attitude of the American people and of the government itself toward the League was undergoing a marked change. As has been seen, the resolution declaring the termination of the war reserved to the United States all the rights and benefits of the Treaty of Versailles, and the treaty with Germany forbade the president to appoint representatives to participate in the activities of the League without the consent of Congress. Consequently for a time the government studiously avoided all direct and indirect affiliation with the League. With the increasing importance of the League, however, this attitude became so intolerable that the system of having the American government represented by men appointed by the League's agencies with the unofficial approval of the authorities at Washington was instituted. These men, according to Secretary of State Hughes, "are unofficial simply in the sense that they are not and cannot properly become members of the League organization or committees. But, so far as the government is concerned, they represent it just as completely as those designated by the president always have represented our government in the conferences and negotiations which he properly authorizes in the conduct of our foreign relations." In the course of time even this indirect system of cooperation in the League's business was found to be unsatisfactory. Consequently in many instances, particularly after 1924, the government was officially represented, and on several occasions Congress appropriated money to meet its share of the expenses of conferences or of investigations conducted under the auspices of the League.<sup>1</sup> Thus the American govern-

<sup>1</sup> Among these occasions were the London Conference of 1924-1925, the Paris Conference for adjusting payments under the Dawes Plan, the Opium Conference of 1924-1925, the Conference on Traffic in Arms in 1925, and the International Economic Conference at Geneva in 1927.

ment, while refusing to associate itself with certain aspects of the League's work, has adopted others almost as part of its national policy. Furthermore, though public sentiment in the United States does not favor America's entrance into the League, it is reasonably certain that with the passing of time the government will associate itself with an increasing number of the League's activities.<sup>1</sup>

### THE PERMANENT COURT OF INTERNATIONAL JUSTICE (WORLD COURT)

Of equal importance with the League of Nations as a political issue during the third decade of the century was the question of adherence to the Permanent Court of International Justice, or the World Court, as it is popularly termed in the United States. The organization of this body was completed in 1922, following the details which were worked out by an Advisory Committee of ten jurists (of which Elihu Root was a member) appointed by the Executive Council of the League of Nations. Although established under the authority of the League and closely affiliated with it, the World Court is a separate institution. Not only is its membership independent of the League, since the World Court must be approved by the individual members rather than by the League itself, but it is open to all nations of the world on equal terms. Furthermore, the source of authority in each instance is distinct, for one is based on the Covenant and the other on the statute of the World Court. Thus a nation may be a member of one organization and not of the other, a condition which actually exists. The two bodies, however, are complementary to each other and are closely coordinated.

The Court is composed of eleven judges and four deputy judges selected by the Assembly and the Council of the League, voting separately, who serve for terms of nine years. The jurisdiction of the "Court comprises all cases which the parties refer

<sup>1</sup> Approximately one hundred and twenty-five American citizens have served in various capacities on League commissions and activities. More publications of the League of Nations are sold in the United States than in any other country in the world; in fact, the government supplies all its foreign offices with them

to it and all matter especially provided for in Treaties and Conventions in force." There is also a compulsory arbitration clause, which individual member nations may or may not enter into among themselves. Though the judgment of the Court is without appeal, it has no means of enforcing its decrees. Any failure, however, to carry out an award which affects members of the League is called to the attention of that body for its action in the matter. The extent to which the member nations have availed themselves of the World Court to adjust differences arising among them is indicated by the fact that by April, 1929, it had decided thirteen cases and rendered sixteen advisory opinions.

After the organization of the World Court had been completed, negotiations were begun by the United States and the powers signatory to the protocol of the Court looking to the adherence of the United States. Favorable action was strongly recommended by such national leaders as Elihu Root, former Justice J. H. Clarke, E. M. House, A. L. Lowell, and G. W. Wickersham, and by such organizations as the American Bar Association, the American Federation of Labor, the National Chamber of Commerce, and the Federated Council of Churches. On February 24, 1923, President Harding submitted to the Senate the protocol together with some brief interpretative reservations which he and Secretary of State Hughes had formulated, with a strong recommendation for their approval. In the Senate, however, the proposal met with unexpected opposition on the grounds that the Court should be completely divorced from the League of Nations and that certain specific types of cases should be excluded from consideration. The result was that no decision was reached in the matter. The following December, Coolidge, who had succeeded to the presidency on the death of Harding, brought the question again to the attention of the Senate; and during the political campaign of 1924 both the Republican and the Democratic national convention inserted in their platforms planks indorsing the World Court. The Senate, however, was unable to reach an agreement until 1926, although the question was before it almost continuously. In the end it attached to its vote of acceptance so many reser-



vations and demands for alterations in the basic organization of the Court itself that the powers signatory to the Court declined to meet the conditions.

The following December, President Coolidge informed Congress that he had abandoned the fight. Nevertheless the popular demand for favorable action on the part of the government persisted, and the question remained one of considerable political importance, although less than formerly. Both in the presidential campaign of 1928 and in his message to Congress in 1929 President Hoover commended the World Court to the Senate for favorable action. That body, however, remained obdurate. Therefore the United States continued to play a lone hand in foreign affairs, with the major portion of American opinion coming gradually to accept American nonadherence to the World Court as well as to the League of Nations<sup>1</sup> During the latter part of September, 1930, however, a movement was launched in the Assembly of the League of Nations to revise the World Court statute with the ostensible purpose of paving the way for its acceptance by the United States Senate. The proposed changes were based on the so-called Root amendments, which President Hoover presented to the Senate at its December meeting. The Senate Committee on Foreign Affairs, however, postponed consideration of the subject and up to July, 1931, had taken no action.

### ARBITRATION AND CONCILIATION

The refusal of the government of the United States to join either the League of Nations or the World Court did not mean that it had adopted a policy of extreme isolation. On the contrary, at no period in the history of the country had it manifested a keener interest in world affairs than during the decade following the close of the World War. Indeed, the nation's vast wealth, together with her extensive foreign trade, made this almost an absolute necessity. Not only did she make a studied

<sup>1</sup> As a recognition of the important place which the United States holds in world affairs, however, several distinguished American citizens — Elihu Root, John Bassett Moore, Charles Evans Hughes, and Frank B. Kellogg — have been elected to membership in the World Court

effort to promote amicable trade relationships, but she took positive steps looking toward the settlement of political disputes by arbitration and conciliation, while the questions of disarmament and of the outlawry of war were attacked in a series of international conferences assembled on her initiative.

At the close of the World War a considerable number of treaties negotiated by Secretaries of State Root and Bryan (pp. 445 f., 567), providing for the arbitration of certain types of controversies and the establishment of machinery for conciliation to supplement arbitration, were still in force. Additional treaties of this sort were signed with the five Central American states during 1923; and in 1928, when the Root arbitration treaty with France expired, a new one was negotiated. Although the preamble to the latter contained a declaration indorsing the principle of the outlawry of war, and the treaty proper named provisions for arbitration, conciliation, and adjudication of disputes, the arrangement could be little more effective than its predecessors; for the Senate reserved to itself the right to determine in each instance whether or not a given case should be submitted to arbitration.

A forward step in the promotion of peace was taken by the Sixth Pan-American Conference at Havana during the early months of 1928, when a resolution was adopted declaring that "the American republics desire to express their condemnation of war as an instrument of national policy in their mutual relations" and recommending that the individual nations "adopt compulsory arbitration as the means to be employed for the pacific settlement of their international differences of a judicial character." An accompanying resolution declared "(1) that every act of aggression is considered illegal and is therefore declared forbidden; (2) that the American states shall employ all pacific means to settle the disputes which may arise between them." It provided, furthermore, for the assembling of an international conference of American states on conciliation and arbitration. This body met at Washington, December 10, 1928, and the following month it formulated two treaties — one for compulsory arbitration of all cases "which are juridical in their nature" when they cannot be settled through the regular diplomatic

channels, with the exception of domestic disputes involving countries that have not ratified the treaty; and the other for conciliation through permanent international commissions. The United States and six other nations signed these treaties, and thirteen more states approved them with reservations.

### THE PACT OF PARIS (THE KELLOGG-BRIAND PACT)

The condemnation of war as a national policy by the Pan-American Conference of 1928 was in no respect an innovation in international relations, for both the League of Nations and the Locarno agreement of 1925 not only contained positive statements on the subject but provided machinery for their enforcement. The United States, however, was not a party to these understandings. Hence, because of her influence and prestige in world affairs, they lacked maximum effectiveness. To remedy this unfortunate situation M. Briand of France on April 6, 1927, made a public statement to the effect that France would be willing to enter into any mutual agreement with the United States for "outlawing war." "The renunciation of war as an instrument of national policy," he said, "is a conception already familiar to the signatories to the Covenant of the League of Nations and of the treaties of Locarno. Every engagement entered into in this spirit by the United States toward another nation, such as France, would contribute greatly in the eyes of the world to broaden and strengthen the foundations on which the international policy of peace is being erected."

For several weeks after this utterance the question attracted little attention. In time, however, its significance was grasped by a number of influential Americans and by a portion of the press, with the result that Secretary of State Kellogg opened direct negotiations with the French government looking toward a general multilateral treaty on the subject rather than one with France alone. Consequently, after numerous changes had been made in the tentative draft to meet the suggestions of the different powers, the agreement in its final form was signed at Paris on August 27, 1928, by the United States and fourteen

other governments, which had been invited to become original signatories.<sup>1</sup> In time the arrangement received the sanction of practically all the remaining nations of the world, including Soviet Russia.

The essential features of this document are embodied in the first two brief articles: (1) "The High Contracting Parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another." (2) "The High Contracting Parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means." Of special significance is the fact that no obligation is imposed on the parties to take any action in consequence of a breach of the treaty. The natural way of supporting a common interest, however, is by counsel and a concerted program, and a "community of interest naturally leads to a community of action." Furthermore, the arrangement is in harmony with the world-wide movement to withdraw, in their early and malleable state, the problems out of which war may arise "from the arena of controversial struggle into the region of scientific examination and treatment."

Though the proposal for the renunciation of war meant little to the members of the League of Nations in the way of any practical extension of their obligations, it meant much to the United States, for she had made no pledges of peace similar to theirs of 1920. It probably presaged a greater participation by the United States in the international movement in behalf of peace, and at the same time it carried with it the appearance at least of leadership in the general movement for peace. Any attempt to make a quantitative appraisal of the Pact of Paris as an instrument for the advancement of peace would be useless, for too little time has elapsed to judge of its effectiveness. In his annual message to Congress on December 4, 1928, President Coolidge declared that "the observance of this Covenant, so simple and so straight-

<sup>1</sup> The pact was ratified by a vote of 81 to 1 in the Senate in January, 1929.

forward, promises more for the peace of the world than any other agreement ever negotiated among nations"; and similar expressions of confidence were uttered by many statesmen in the United States and other countries signatory to the agreement.

### INTER-ALLIED INDEBTEDNESS TO THE UNITED STATES

The question of the inter-Allied indebtedness to the United States has been one of the "most complex and difficult in character that the American people have ever confronted." Indeed, since the close of the war it has entered into almost every phase of the diplomatic relations of the American government with the countries of Europe; and for a generation or more to come the question will probably be a constant source of ill feeling and consequently a disturbing factor in international relations. These obligations were incurred after the entrance of the United States into the World War and were prompted by the dire need of the Allies for munitions, supplies, food, and shipping, by the low state of the finances of those nations (most of whom were on the verge of bankruptcy), and by the fact that the United States was unable to render any immediate military assistance. Since practically the entire sum was used for purchases of supplies in the United States, the money did not leave the country. Though these loans were in a sense purely business transactions, they were also political in character, as are practically all loans from one government to another. Both in Europe and in the United States they were quite generally regarded as America's immediate contribution to the Allied cause. President Wilson, in discussing the question in a message to Congress, stated, "They [the Allies] are in the field and we should help them in every way to be effective." Though it was understood that the loans were to be repaid, this point was not emphasized.

After the close of the war the financial condition of the debtor nations was such that neither the principal nor the interest could be met for several years. Meanwhile the United States endeavored to reach refunding agreements with each nation by the terms of which the interest rate might be reduced and definite dates of payments established. This was to be accomplished

by the World War Foreign Debt Commission, created by Congress early in 1922 with specific instructions to refund or convert, within certain stated limits, the obligations due the United States. Later it was found necessary to modify these instructions and to enlarge the authority granted to the commission. While the negotiations were pending the question became involved with that of the payment of reparations by Germany to the Allied countries, for in the absence of these the obligations to the United States in most instances could not be met. Furthermore, if the funds paid to the Allies by Germany should be sent on by them to the United States to meet their respective obligations to the United States, the latter country would appear to be the only nation benefited by the German reparations; consequently these payments would fail to answer the purposes for which they were intended.<sup>1</sup> To meet this situation Great Britain, whose loans made to other Allied countries far exceeded those obtained by her from the United States, proposed the cancellation of these and all other war debts of one government to another and a general paring down of the demands for reparations made on Germany. Both in Europe and in the United States this proposed

<sup>1</sup> In 1922 the Reparations Commission, to which was referred the question of determining the total sum, together with the size of the annual payments to be made by Germany, was a group of financial experts, three of whom, Charles G. Dawes, Owen D. Young, and H. M. Robinson, were Americans. This body formulated what came to be known as the Dawes Plan, although its main features are reputed to have been made by Mr. Young. This document fixed definite annual payments, established a bank through which the payments were to be made, provided for the withdrawal of French troops from the Ruhr, and adjusted other difficulties growing out of the Treaty of Versailles. The conferences were attended unofficially by representatives of the American government, through whose efforts the claims of the United States against Germany, amounting to \$450,000,000 for damages done since 1914 and for loans made to that country by American citizens after the war, were not influenced by the reparations payment to European countries.

During the summer of 1929 the Young Plan, dealing with the reparations question, was substituted for the Dawes Plan. The new plan differed from the old in that it fixed the total of reparations and the time of payment, reduced the size of the annual payments, eliminated the foreign control and the index of prosperity, and changed the mechanics of collection and transfer. Under this plan the receivership of Germany was lifted. The foreign armies of occupation were to be withdrawn, and the relations of the Reparations Commission with Germany came to an end. The annual payments were to extend over a period of thirty-seven years beginning September 1, 1929.

solution of the problem met with general approval, particularly among financiers and economists, who regarded it as essential to the speedy economic recovery of Europe.

The United States, however, refused to alter her policy or to agree to the general cancellation of the war debts as suggested by England. She merely expressed her willingness to scale down the various indebtednesses and to extend the payments over a long period of years, basing the exact sum in each instance on the capacity of the debtor to pay. Although protesting against the unfairness of this attitude, one country after another, beginning with Great Britain in 1923, agreed to refund its indebtedness, paying interest and principal in most instances over a period of sixty-two years. According to the settlements the indebtedness, together with accrued interest, was fixed at a grand total of approximately \$12,000,000,000. The percentage that the 1931 value at  $4\frac{1}{4}$  per cent bears to the amount of debt prior to funding is estimated as 46.5 per cent in the case of Belgium, 80.3 per cent for Great Britain, 24.6 per cent for Italy, and 47.2 per cent for France.<sup>1</sup> The average annual payments on the funded debts for the sixty-two years will be approximately \$350,000,000, and the total sum (including interest) to be paid during the entire period will reach a sum in excess of \$22,000,000,000.

With Russia, however, no agreement had been reached by January, 1931. In January, 1918, the newly established Soviet government repudiated all debts contracted by previous governments, which in the case of the United States included \$187,000,000 in loans by the United States to the provisional government in 1917, \$75,000,000 in bonds sold in the United States, and American property confiscated in Russia to the amount of \$443,000,000. The United States on her part withheld recognition of the new order in Russia on the ground that it did not respect its financial obligations, that it did not represent the sanction of the Russian people, and that it persisted in carrying on revolutionary propaganda in the United States. During recent years, however, Russia indicated on several occasions

<sup>1</sup> The other countries concerned were Czechoslovakia, Estonia, Finland, Greece, Hungary, Latvia, Lithuania, Poland, Rumania, and Yugoslavia.

her willingness to discuss the question of the payment of her debts in exchange for recognition; but other issues prevented a settlement of the controversy. At present (1931) much pressure is being brought to bear on the government at Washington by business interests to alter its position on the question.

It is reasonably certain that a number of the nations concerned in these settlements will be unable to meet the annual payments and that further refunding or even a complete cancellation of their debts will become necessary. Furthermore, of special significance from the point of view of amicable international relations is the fact that, speaking generally, "a debtor nation does not love its creditor, and it is fruitless to expect feelings of good will" from people whose "development is stifled for many years to come by the annual tribute which they must pay us." Since the war there has been a general crystallizing of European feeling against the United States as the great commercial rival and financial dictator of Europe, an attitude for which the debt question is responsible to a considerable extent.

#### THE WASHINGTON CONFERENCE ON DISARMAMENT

The decade following the World War saw not only the solution of many of the problems which threatened the peace of Europe and the United States, but notable progress through the League of Nations and other instrumentalities in providing machinery for the amicable adjustment of international disputes. The question of military disarmament, however, had scarcely been touched. Indeed, four years after the signing of the armistice, more men were under arms in Europe than had been before the outbreak of the war, and the United States had under way a program of naval construction that contemplated the early establishment of a parity with Great Britain. Although the League of Nations had as one of its main objectives the formulation of plans for the general adoption of some scheme of disarmament, other considerations of more immediate importance occupied its time and delayed action on this matter. The rejection of the League of Nations and the World Court by the United States in the face of its many protestations in behalf



of world peace placed this country in an embarrassing predicament, especially since public sentiment was overwhelmingly in favor of some form of international coöperation to lessen the possibilities of war. Consequently, in accordance with an amendment to the Naval Appropriation Bill in May, 1921, introduced by Senator Borah and passed by Congress, President Harding invited Great Britain, France, Japan, Italy, China, the Netherlands, Belgium, and Portugal to a conference at Washington to consider the possibility of naval disarmament. Later the scope of the conference was enlarged to include the problems of the Pacific, land disarmament, and other questions.

At that very time the conflict of American and Japanese interests in the Pacific was so intense that war between the two countries at no distant date seemed almost inevitable; in fact, many statesmen in Europe and elsewhere were predicting that the next great conflict would be between the United States and Japan for the supremacy of the Pacific. Japan was fast developing an attitude toward eastern Asia similar to that assumed by the United States under the Monroe Doctrine toward the Western Hemisphere, while the United States seemed determined to enforce the continued acceptance of the "open door" policy, particularly as it related to China and the islands of the Pacific. The issue was complicated further by discriminatory legislation against Japanese citizens in California, the question of the Anglo-Japanese alliance (to which sentiment in the United States was most hostile), and the outspoken opposition of the American delegates at the Peace Conference and of the American public to Japanese aspirations in China. The early adjustment of these difficulties was of vital concern, not only to the United States and Japan but to the rest of the world as well.

The invitation of President Harding was accepted by the eight nations with outward appearances of enthusiasm; and on November 12, 1921, the Conference was formally opened. After the address of welcome by President Harding, Secretary Hughes proposed that the nations represented agree to a "naval holiday" for at least ten years, that no new capital ships be laid down during that period, and, furthermore, that sixty-six vessels with a total tonnage of 1,878,000 be scrapped by England,

France, and the United States. Although astounded at first by these suggestions, the delegates readily agreed to them as a basis for a general understanding on the subject. The result was the formulation of the five-power naval pact for the stabilization of the relative strengths of the navies of the leading naval powers. This was to be attained by a suspension of ship-building operations within certain limits for fifteen years, the scrapping of capital ships beyond a specified number, and the renewal of these ships in such a ratio that the United States should have 525,000 tons, Great Britain 525,000, Japan 315,000, France 175,000, and Italy 175,000. This so-called 5 : 5 : 3 :  $1\frac{2}{3}$  :  $1\frac{2}{3}$  agreement did not apply to cruisers under 10,000 tons' burden or to submarines, destroyers, and other small craft, but it restricted the size and the number of aircraft carriers. It further formulated regulations relating to chemical and submarine warfare, forbade the use of poisonous or other gases in warfare, and declared that individuals violating this treaty might be tried "as if for an act of piracy." The English wish to include submarines, the American desire to limit land armaments, and other proposals were rejected for one reason or another. Of special significance was the decision to restrict the further construction of fortifications in specified areas in the Pacific with the purpose of preventing either the United States or Great Britain from having fortified advance bases of offensive operations against Japan, and Japan from establishing similar positions near the Philippines, the American coast, and British Australasia. As a substitute for the Anglo-Japanese alliance, which was not renewed, the United States, Great Britain, Japan, and France agreed in the four-power pact to respect one another's insular possessions and to "communicate with one another fully and frankly in order to arrive at an understanding as to the most efficient measures to be taken" in case these possessions were threatened by any nonsignatory power. Differences arising among the four nations concerning their possessions in the Pacific were to be submitted to the decision of a joint conference.

Treaties of the Conference involving the United States included one between the United States and Japan guaranteeing the former's rights in the cable station on the island of Yap,

which had been assigned to Japan by the Treaty of Versailles against the protests of the United States delegation; the six-power treaty, allocating the German cables in the Pacific; the nine-power treaty, attempting to preserve the integrity and sovereignty of China, to make provisions for the revision of the system of Chinese customs tariffs and to establish equal opportunities in trade or the "open door" policy in the whole of China; and the treaty between China and Japan by which the latter power consented to give up the former German leasehold of Shantung province and Kiaochow.

Although much difference of opinion exists in the United States as to the good actually accomplished by the Washington Conference on Disarmament, it certainly reduced the grounds for suspicion between the Japanese and the people of the United States and, temporarily at least, removed any possibility of war. Furthermore, it restricted in a limited way the rivalry in naval construction and at the same time established a precedent for future conferences. According to Secretary Hughes "Its most important results were those which were unwritten and imponderable, . . . for where there is friendship and confidence, treaties to maintain peace are of least importance." As the time for the termination of the agreements (1936) approaches, the question of their renewal is being widely discussed. There is little doubt that another Pacific conference will be assembled and that some arrangement for the peace and stabilization of conditions in the Pacific area will be consummated.

#### THE THREE-POWER NAVAL CONFERENCE AT GENEVA

The success of the Washington Conference with reference to certain specific branches of naval warfare led the advocates of disarmament throughout the world to seek to extend its application. Even before that, however, soon after the organization of the League of Nations, a Preparatory Disarmament Commission had been instituted by that body to study land, air, and water armaments and to report a workable program for their reduction and permanent regulation. But the problem as a whole proved too difficult and too complicated for easy adjust-

ment. Great Britain, Japan, France, and Italy of the great naval powers were busily engaged in strengthening those branches of the naval service which were most effective for their defense, keeping, at the same time, within the limits of the agreements of 1922 at Washington. Although the United States built during this period many new vessels of different types, her program of construction was so limited that by 1926 her inferiority in many branches of the service was pronounced.

Prompted by the apparent failure of the League's efforts in behalf of disarmament and the incessant propaganda of the big navy adherents in the United States, President Coolidge in 1927 proposed a conference of the powers signatory to the Washington naval treaty to meet to discuss the extension of the previous agreement to other types of vessels. Japan and Great Britain accepted, although the latter emphasized the wisdom of the adjustment of any agreement which they might reach with the proceedings of the "Preparatory Commission at Geneva." Both France and Italy declined to participate in the conference, the former on the ground that "French opinion" was "preoccupied with its duties as a member of the League of Nations and with its moral obligations toward all the powers which form part of it."

Regardless of the unwillingness of these two nations to take any part in the negotiations, delegates from Great Britain, Japan, and the United States assembled at Geneva on June 20 and continued their deliberations until August 4, when the conference adjourned without arriving at an agreement. The United States wished to extend the 5 : 5 : 3 ratio to other types of vessels and to place a limit on the total tonnage in each class as well as on the size of guns and torpedo tubes. The British sought to reserve a large degree of freedom in the construction of cruisers of the 7500-ton type, which were best suited to their own defensive system, while the United States was equally interested in those of the 10,000-ton type. The unwillingness of either country to make substantial concessions in these particulars demonstrated the difficulties involved in fixing ratios to other major naval craft, and the influence of geographical location in determining the value of different arms of the service was force-

fully emphasized. Furthermore, the general situation was just the reverse of that at the Washington Conference, because the weakness of the United States in most branches of the naval service and the corresponding strength of England and Japan would have made necessary in any limitation agreement a considerable sacrifice of tonnage on the part of England and Japan and an actual increase of that of the United States.

### THE LONDON NAVAL TREATY OF 1930

The failure of the Geneva Conference, however, did not end the movement for disarmament. As a matter of fact, it called to the attention of the public in all the great naval countries the extent to which they were embarking on another dangerous era of naval competition. The inconsistency of this state of affairs with the protestations in the Pact of Paris were so evident that either some positive steps in the direction of general disarmament were imperative or else the pact itself would soon come to be regarded as a mere scrap of paper. To relieve this situation Premier Ramsay MacDonald of England visited President Hoover during the early fall of 1929. On October 9 they issued a joint public statement in which they said: "We have been guided by the double hope of settling our own differences on naval matters and so establishing unclouded good will, candor, and confidence between us, and also of contributing something to the solution of the problem of peace in which all other nations are interested and which calls for their coöperation. In signing the Paris peace pact fifty-six nations have declared that war shall not be used as an instrument of national policy. We have agreed that all disputes shall be settled by pacific means. Both our Governments resolve to accept the Peace Pact not as a declaration of good intentions, but as a positive obligation to direct national policy in accordance with its pledge."

Out of this beginning developed the London Naval Conference between Great Britain, the United States, Japan, France, and Italy, which after fourteen weeks of labor promulgated the London Naval Treaty of 1930. This document, representing an attempt to establish a relationship between the three fleets of

the United States, Great Britain, and Japan, was the culmination of a ten-year movement toward peace among the various naval powers and also a step in the vitalization of the Pact of Paris. It prescribed a complete limitation and a cessation of competitive building by the navies of the United States, Great Britain, and Japan, the greatest naval powers of the world. With these three powers France and Italy joined in certain important agreements in the treaty, among which were the six-year extension of the battleship holiday and the covenant to outlaw ruthless submarine warfare. They gave their hearty concurrence in the limitation treaty of the other three powers and expressed their desire to continue the negotiations with the idea of arriving at a basis on which they could ultimately join in a similarly complete limitation.<sup>1</sup>

Possibly the greatest achievements of the conference were that it arrived at an agreement for limiting all kinds of vessels in the three largest fleets of the world and that it arranged for the holding of another parley in 1935 by the five powers. Of significance was the fact that Great Britain reversed her policy of nearly three centuries and accepted parity with the United States. The newly established ratios for the respective navies as a whole were approximately 10 : 10 : 7 as compared with 5 : 5 : 3 fixed for capital ships by the Washington Conference. The maximum tonnage for each type of vessel as established by the London Naval Treaty is as follows :

CLASSES	UNITED STATES	GREAT BRITAIN	JAPAN
	Tons	Tons	Tons
Capital ships . . . . .	460,000	460,000	276,000
Eight-inch-gun cruisers . . . . .	180,000	146,800	108,400
Six-inch-gun cruisers . . . . .	143,500	192,200	100,450
Destroyers . . . . .	150,000	150,000	105,450
Submarines . . . . .	52,700	52,700	52,700
Airplane carriers . . . . .	135,000	135,000	135,000
Total . . . . .	1,121,200	1,136,700	778,000

<sup>1</sup> Since France, Italy, Germany, and Russia were not parties to the limitation pact, Great Britain reserved the right to increase her naval strength whenever her supremacy in her own area was threatened.

Secretary Stimson, the chairman of the American delegation, thus summarized the concrete results of the treaty: "Under the schedule of the Washington Treaty the United States was to lay down ten new battleships and to complete five of them within the next six years. Under our present arrangement none of these vessels will be laid down. This means that approximately \$300,000,000 which would have been spent during the next six years will not be spent. There will be nine battleships scrapped, but not replaced. This combined tonnage is 230,000 tons. Next there will be a reduction of 205,000 tons in the destroyers of the three powers. There will be a reduction of 68,000 tons in submarines. . . . In American cruisers there will be an actual increase under the new agreement, . . . " because we "now find ourselves with less than a quarter of the normal proportion of cruisers which we should have in respect to the rest of our fleet. . . . This increase is comparatively small, because the British have agreed to reduce their tonnage by twenty cruisers, in order to meet us, and for the same purpose the Japanese have agreed not to increase the number of their cruisers. As a result, the total net reduction in the three fleets built, building, and appropriated for, is in the neighborhood of 560,000 tons."

The parity established by this treaty not only prevents naval competition beyond the limits set, but makes it practically impossible for either the British or the American fleet to cross the Atlantic to make war on the other. Moreover, either of these powers in crossing to the Japanese sphere to attack that nation would suffer a reduction in its strength of approximately 30 per cent and hence would be forced to contend on an equal basis. An aggressive war under these conditions has been made not only exceedingly hazardous but highly improbable. Furthermore, the treaty has opened the way for a drastic revision downward of the maximum tonnage in each class by future conferences.

Despite the movement for disarmament, however, the world expenditures on all arms in 1930 was nearly \$5,000,000,000, an increase of about 70 per cent over that of any year before the World War; and in 1931 approximately 5,500,000 men were registered in the standing armies of the world and 20,000,000 more were in the reserve armies.

## CHAPTER XXXI

### POST-WAR ECONOMIC AND POLITICAL READJUSTMENTS

#### DEMobilIZATION

Coincident with the peace negotiations and the consequent protracted controversy between the Senate and President Wilson over the Treaty of Versailles was the restoration of the industrial and political machinery of the nation to a basis of peace. After more than two years of mobilizing the resources of the country for the furtherance of the war program, the government had to face, with the coming of peace, the equally difficult task of readjustment to the old relationships, for which, unfortunately, it had made little or no preparation. Moreover, its enthusiasm for the establishment of a new international order prevented it for many months after the signing of the armistice from giving the question the consideration which its importance deserved. In time, however, the war legislation was repealed and the special emergency powers of the president, together with the boards and bureaus which he had controlled, were abolished. Contracts for war supplies totaling several billion dollars were canceled, and work on them accordingly was stopped. In this connection the government was forced to make an equitable settlement with each concern for the losses incurred through the nation's inability to fulfill its obligations. At the same time it found itself in possession of several billion dollars' worth of surplus material. This, much of which was in France, it sold at prices averaging much less than 50 per cent of the original costs. Of the sales in France, totaling more than \$800,000,000, half were made to the French government. Because of the many complications connected with the restoration of the management of the railroads to their original owners and the disposal of the government-owned ships, these subjects will be discussed in detail later.



Of equal importance with the demobilization of the war activities of the government in the realm of business was the return to their peace-time pursuits of the nearly 4,000,000 soldiers and sailors and the 11,400,000 civilian war workers. Though this in itself was a difficult undertaking, it was attained with surprising rapidity and with a minimum economic disturbance, because of the prosperous conditions which prevailed during 1919. The future status of the army was determined by the Army Act of June 4, 1920, which placed its regular authorized strength at approximately 300,000 and left its organization largely in the hands of the War Department, although it vested the General Staff with considerable authority in the fields of co-ordination and education. The National Guard was continued, but its relationship with the regular army was made much closer than ever before.

#### ADJUSTED COMPENSATION FOR VETERANS OF THE WORLD WAR

Among the problems of reconstruction none was more urgent than those of obtaining employment for the war veterans, of caring for the sick and wounded, and of readjusting their compensation. Although the government had provided liberally for the support of the soldiers and their dependent families through allotments and compensatory insurance and had expended enormous sums for the care of the sick and disabled, the discrepancy between the meager pay of the soldiers and that of those who remained at home to work at less hazardous labor with salaries several times larger than theirs was so great that a demand arose for some kind of "adjusted compensation." In 1920 the American Legion, an order of the veterans of the World War, which was incorporated by act of Congress in September, 1919, asked the national government to provide an effectual system of vocational training for the disabled, land for those who wanted farms, financial assistance for those who wished to build houses, and a cash bonus equal to the difference between the army pay and what labor was allowed to earn under the various national wage agreements. The persistence in the advocacy of these concessions, which were demanded as a right, caused the ques-

tion to become one of national importance and of no mean political significance.

The Bonus Bill, which embodied the various proposals for adjusted compensation, greatly embarrassed the financial officers of the government, for it called for additional expenditures of several billion dollars at a time when the policy of the administration was being directed toward economy and curtailment. Regardless of the opposition of the Secretary of the Treasury, Andrew W. Mellon, and Presidents Harding and Coolidge, both of whom vetoed bills of this character, the movement won a formidable following in both parties; and several states enacted laws granting compensation to soldiers native to the respective states. In 1921 Congress established the United States Veterans' Bureau to handle the claims of soldiers for pay and insurance and to continue the care and reconstruction of the wounded. By the end of the fiscal year of 1925 more than \$3,000,000,000 had been expended through this agency alone, and the annual appropriation exceeded \$500,000,000. Nevertheless the movement for a cash bonus to all those who had been in the service was pressed so well that in 1924 an act fulfilling the demands was passed by Congress over the veto of President Coolidge. The eventual cost of this bonus will probably exceed \$3,000,000,000.

#### THE DENATIONALIZATION OF THE RAILROADS AND THE RAILROAD TRANSPORTATION ACT OF 1920

Among the characteristics of the post-war decade were exaggerated nationalism, which was to a large extent a product of war psychology, and pronounced conservatism, which found expression in a general demand for the immediate return to *laissez faire* in business and in hostility to all tendencies toward reform, particularly in the field of labor and industrial activities. In his message to Congress on December 2, 1918, President Wilson declared: "Our people . . . do not want to be coached or led. . . . Any strings we might seek to put them in would speedily become hopelessly entangled. . . . All we can do as their legislative and executive servants is to mediate the process of change here, there, and everywhere as we may." Early in 1921 President

Harding voiced the same sentiment when he stated to Congress that "We" [the Republican party] mean to have "less government in business as well as more business in government," a policy which President Coolidge reiterated on many occasions.

So intimate had the connection between the government and certain business activities become during the period of the war, however, that their disentanglement was a complicated task and would require much time. Nevertheless the armistice was scarcely signed before the undertaking was begun. Toward the end of 1918 the War Industries Board was dissolved; and the following summer the work of the War Labor Board was terminated, telephone, telegraph, and cable wires were returned to private ownership, governmental control over fuel and food was relinquished, and the few remaining functions of the War Trade Board were transferred to the State Department. Though orders were issued for the removal of governmental control of railroads and the question of the sale of the government-owned merchant marine to private individuals or corporations was considered seriously by Congress, many difficulties arose to delay these undertakings. Indeed, the experience of the war had made the return of these basic industries to their pre-war conditions not only inadvisable but practically impossible. In his message of December 2, 1918, President Wilson put the case thus with reference to the railroads: "The one conclusion that I am ready to state with confidence is that it would be a disservice alike to the country and to the owners of the railroads to return to the old conditions unmodified. Those are conditions of restraint without development. There is nothing affirmative or helpful about them. The old policy may be changed much or little, but surely it can not wisely be left as it is."

As the time approached for the return of the railroads to their owners, which was fixed in the Railroad Act of 1918 as twenty-one months after the end of the war, the railroad workers and operators issued to the government and the public proposals for the new relationship which contained many novel suggestions. After becoming convinced that the continuance of governmental ownership could not be attained, the Railroad Brotherhoods and the American Federation of Labor indorsed a

plan proposed by Glenn E. Plumb of Chicago. This so-called Plumb Plan advocated the purchase of the railroads by the government, which in turn was to lease them to a National Railway Operating Corporation consisting of the railway officials and workers, the management of which was to be vested in the hands of a body of fifteen men, five appointed by the president, five by the officials, and five by the workers. The government on its part was to receive a rental of 5 per cent and to be responsible for any deficit that might be incurred. If the profits should exceed 5 per cent, however, they were to be divided equally between the government and the workers. Other provisions dealt with the fixing of rates and wages and the adjustment of disputes. While these proposals were receiving nation-wide consideration in the press, the railroad operators asked Congress to restore private ownership and expressed their willingness to submit to a degree of governmental supervision far in excess of anything contained in previous legislation.

Meanwhile President Wilson issued a proclamation fixing March 1, 1920, as the date of the return of the roads to private ownership; and Congress, after many weeks of discussion, enacted the Railroad Transportation Act of February, 1920 (commonly referred to as the Esch-Cummins Act), defining the relationship which should exist between the government and the railroads. Under this measure the Interstate Commerce Commission was given large new powers over railroad finance, among which were the fixing of rates, the regulation of service and traffic, the consolidating of all railroads in the country into a limited number of competing systems, the building of new lines, and the abandonment of certain existing lines. The Commission was expressly enjoined to make rates with a view to allowing the roads, either as a whole or as a group, a fair return of  $5\frac{1}{2}$  per cent plus — at its discretion —  $\frac{1}{2}$  per cent for improvements. Furthermore, the act created a Railroad Labor Board for the adjustment of labor disputes.

The twenty-three months of the government's operation of the railroads had proved exceedingly costly. Indeed, a deficit of approximately \$600,000,000 was incurred in addition to large sums voted by Congress during the six months following the

return of the roads to their original owners. In time the Interstate Commerce Commission authorized an increase in freight rates ranging from 25 to 40 per cent, and 20 per cent in passenger-car and 50 per cent in sleeping-car fares, and the Railroad Labor Board granted a wage increase of about 22 per cent. Although some features of the legislation of 1920 were not entirely satisfactory, the measure as a whole proved successful. The railroads of the country were soon placed on an efficient and paying basis. In contrast to the old "trust busting" attitude of the public, consolidations were encouraged when the improvement of the transportation system of the country demanded it, with the result that by 1928 the six thousand lines had been merged through one device or another into about eight hundred. Since then this tendency has steadily continued.

#### THE DISPOSAL OF THE GOVERNMENT-OWNED MERCHANT MARINE

Complicated as were the problems connected with the denationalization of the railroads, those associated with the disposal of the government-owned merchant marine were far more difficult of solution. At the beginning of the war the ocean-going tonnage of the merchant marine was less than 2,000,000 tons. Regardless of the urgent need of the United States and her allies for ships to replace those requisitioned by the governments and those sunk by the German submarines, capital found other more attractive forms of investment. Accordingly ship construction fell far short of the exigencies of the occasion. To meet this situation the United States embarked on a shipbuilding program which contemplated the increase of the American tonnage to 17,800,000. So effectively did the work move forward that by September 1, 1919, more than 12,000,000 tons had been completed or were under construction. The termination of the war, however, and the consequent world depression in trade caused the great majority of these newly constructed vessels to be tied up in American harbors.

The demand for the withdrawal of the government from this important business undertaking was well-nigh universal. On

June 5, 1920, therefore, Congress passed the Jones Merchant Marine Act, which repealed most of the war emergency legislation on the subject, revised thoroughly the merchant-marine code, rearranged the duties of the United States Shipping Board, made provision for the encouragement of the carriage of American freight in American vessels through preferential rates and mail subsidies, and vested in the Shipping Board authority for the temporary operation of the merchant-marine fleet pending its sale to American citizens or to corporations in which American citizens held a majority of the stock. This and later supplementary measures extended loans and other advantages to those purchasing and operating vessels under the act. In spite of these many concessions, however, the sales proceeded so slowly that at the end of June, 1924, less than half of the nearly twenty-six hundred vessels under the jurisdiction of the Shipping Board had been sold, and many of these had been disposed of at enormous financial sacrifices, representing on the average only about 10 per cent of the original investment. The rate of disposal of ships was greatly speeded up by the passage of the Jones-White Merchant Marine Act of 1928, which granted larger subsidies and additional privileges to private shipowners. As a result, on October 30, 1930, twelve years after the close of the war, less than five hundred ships of the original fleet remained under the authority of the government.

The post-war legislation designed to promote the development of a privately owned American merchant marine failed to accomplish the purpose for which it was intended. As British and other foreign ships operating under less exacting legislation dealing with wages and conditions of labor were able to underbid their American competitors, the percentage of the foreign trade of the United States carried in American ships steadily declined until it stood (1931) at slightly less than one third of the total.

#### THE FORDNEY-McCUMBER TARIFF OF 1922

The Republican victories in the congressional elections of 1918 caused the tariff question to be revived as a major issue, especially after the close of the war and the coming of the financial

depression of 1920. Complaints were made by the manufacturers against the Underwood tariff of 1913, and many believed that American markets were doomed to be swamped by European goods dumped on the shores of the United States unless speedy relief were given by Congress. President Wilson, however, stoutly contested this attitude. In a message to Congress, May 20, 1919, he stated: "There is, fortunately, no occasion for undertaking in the immediate future any general revision of our system of import duties. No serious danger of foreign competition now threatens American industries." The following December he returned to the subject, emphasizing the fact that the United States had changed from a debtor to a creditor nation, a status that demanded a freer exchange of products than had previously existed. "If we want to sell," he declared, "we must be prepared to buy." Furthermore, he stressed the fact that a system of high protection would be diametrically opposed to the foreign policies which his administration had been striving to establish in world affairs. Indeed, Wilson had made the removal of economic barriers one of the first of his famous Fourteen Points, and throughout the peace negotiations at Versailles he had maintained that economic cooperation was admittedly one of the chief requisites for the restoration and preservation of friendly relations between nations.

Nevertheless the Republican Congress proceeded with the work of tariff revision and during the closing days of Wilson's administration succeeded in passing an emergency tariff measure increasing substantially the duties on a large variety of articles. On March 3, 1921, however, President Wilson returned the bill with his veto. In his special message to Congress on April 12, 1921, President Harding came out strongly for an immediate increase of the import duties. "The urgency for an instant tariff enactment, emergency in character, . . ." he said, "cannot be too much emphasized. I believe in the protection of American industries, and it is our purpose to prosper America first." In compliance with his wishes Congress quickly passed the temporary measure of the previous session, meanwhile proceeding with public hearings for the enactment of a permanent tariff bill. It was not until September, 1922, however, that this

measure, known as the Fordney-McCumber Bill, became a law. This act was a frank return to the high rates of the Payne-Aldrich tariff of 1909. Though the general average of duties exceeded that of any tariff bill since the Civil War, the rates on agricultural products,<sup>1</sup> chinaware, jewelry, toys, cotton gloves, laces, and cutlery were made especially high.

Aside from its high level and its attempt to solve the agricultural problem, the Fordney-McCumber tariff revised the administrative methods by making a complete recodification of all rules and practices on the subject. Furthermore, it authorized the president to alter rates up to a limit of 50 per cent whenever he found, on investigation and recommendation of the Tariff Commission, that the rates established by the act did not justly equalize the differences between cost of production in the United States and that in the chief competing countries. This so-called flexibility or equalization feature, though seemingly highly commendable, was called into effect in actual practice for the alteration of duties on only seventeen articles, most of which were inconsequential, during the first five years of the existence of the act.

#### GOVERNMENTAL ECONOMY, THE BUDGET SYSTEM, AND TAX REDUCTION

Among public problems in the period after the war were those of economy in governmental expenditures and of tax reduction. Presidents Wilson, Harding, and Coolidge discussed the question regularly in their annual messages. President Wilson in December, 1920, said, "I cannot overemphasize the necessity of

<sup>1</sup> The agricultural duties were as follows:

	1909	1922
Wheat . . . . .	25 cents a bushel	30 cents a bushel
Rye . . . . .	10 cents a bushel	15 cents a bushel
Corn . . . . .	15 cents a bushel	15 cents a bushel
Beef . . . . .	1½ cents a pound	3 cents a pound
Lamb . . . . .	2 cents a pound	4 cents a pound

The tax on sugar was increased from 1.25 cents a pound to 2.206 cents a pound. By the provisions of the reciprocity treaty of 1903 with Cuba, however, that country, whose main export crop was sugar, enjoyed a 20 per cent reduction on these rates. The duty on wool was placed at 31 cents a pound.



economy in government appropriations and expenditures"; and the following April President Harding declared that economy was to be made the "outstanding and ever-impelling purpose in both legislation and administration. The unrestrained tendency," he declared, "to heedless expenditure and the attending growth of public indebtedness, extending from Federal authority to that of state and municipality and including the smallest political subdivision, constitutes the most dangerous phase of government today." Indeed, the cost of all the branches of the government, Federal, state, and local, had increased from \$2,919,000,000 in 1913 to \$12,609,000,000 in 1928, or a per capita advance from \$30 to \$105. Though some allowance should be made for the depreciation in the value of the dollar and the doubling of the national income, nevertheless the percentage of this income taken for taxation increased from approximately 6.9 per cent to 13.2 per cent during the period. Meanwhile the per capita debt of the country had advanced enormously owing largely to expenditures for road-building and educational advancement.

Acting on the recommendations of President Wilson and later of President Harding, Congress in June, 1921, passed the Budget and Accounting Act, establishing a centralized system of budget control which was designed to remedy the abuses of the existing practice of having many different committees in the Senate and the House recommend expenditures with little or no reference to the total expenditures and income. The measure provided that on the first day of each regular session the president should submit to Congress a budget which should contain estimates of the receipts and expenditures for the preceding and the current year, together with detailed estimates of those of the ensuing year. To assist the president in the preparation of his financial statements, a Budget Bureau was established in the Department of the Treasury, to which all officers and money-spending agencies were to submit their requests for funds. Although the new system did not meet the expectations of some of its advocates, it proved highly beneficial in reducing expenditures as well as in introducing business methods in the handling of the enormous financial transactions of the government.

In a series of measures beginning immediately after the close of the war Congress attempted to readjust the taxing system of the government and to reduce the annual taxes of the people. Because many of the regular expenditures of the government were fixed, however, the possible achievements in this field were limited.<sup>1</sup> Nevertheless considerable reductions were made in the taxes, and the public debt was lowered from something more than \$26,000,000,000 in 1919 to less than \$16,000,000,000 in January, 1931. The limit of economy appeared to have been reached in 1925, when the biennial appropriations were reduced to the sum of \$7,935,000,000. Owing to new functions which the government assumed, however, such as the Mississippi River Flood Control Act, the program for the improvement and the canalization of inland waterways, and the Boulder Dam project, this total was materially advanced in later years.

The whole question of tax reduction assumed a new aspect after the war as a result of the many sectional and political antagonisms which had developed. As a matter of fact, the sources of Federal income had undergone a drastic change. In 1908, 47.7 per cent of the revenue was derived from customs and 40 per cent from internal revenue. Before the passage of the Underwood tariff of 1913 the internal-revenue tax, which included a corporation tax, had increased to 47.5 per cent. The war and the post-war conditions further altered these percentages, which in 1928 stood at 14.7 per cent for customs and 68.78 per cent for internal revenue. In the discussions concerning the various revenue measures of the period the Democrats in general supported a continuance of the heavy levies on wealth and the reduction of rates on the lower income levels. The Republicans for their part opposed exorbitant levies on capital as a hindrance to sound business development, accepting at the same time, however, the general system of taxation that had been established.

<sup>1</sup> The total expenditures of the Federal government for the year 1930 exceeded \$4,000,000,000, of which approximately 90 per cent was for national defense and past wars

ECONOMIC READJUSTMENTS AND THE FINANCIAL  
DEPRESSION OF 1920

Though the gradual withdrawal of the government from the many business functions which it had assumed during the war contributed something toward the reestablishment of normal economic conditions in the country, the delays occasioned by the long discussions in Congress concerning the ratification of the Treaty of Versailles and the adoption of definite policies with reference to the soldiers' bonus, the railroads, the merchant marine, the tariff, taxation, and other questions tended to counteract the efforts in that direction. As a matter of fact, the abnormally high price level which had been established during the war continued with little change until the middle of 1920. The selfish greed of the profiteer was evident in every community and in all the walks of life. The manufacturers, no longer content with the customary profits of from 10 to 20 per cent, exacted in many instances several hundred per cent, and the labor organizations were striking to obtain their proportionate share of the exorbitant gains. Hoarding of food and other necessities of life with the purpose of increasing the price was practiced on a huge scale. The inevitable result was a radical increase in prices of all staple commodities. Food at retail registered an advance of from 100 per cent in 1913 to 207 per cent in the first six months of 1920, and the gain in wholesale commodities was even greater.

The manufacturer was not alone in his lust for quick, large profits. Wages in all branches of work advanced rapidly, the conditions of labor were materially improved, and the farmer increased his yield to meet the demands of high prices and a capacious market. However, regardless of the prevalence of money in the country, of the ready market for produce, of high wages, and of enhanced prices, the purchasing power of the dollar had declined from 76.2 cents in 1914 to 48.0 cents in 1920. Consequently much of the seeming prosperity was nonexistent.

To check the growing practice of exploitation the government instituted several hundred criminal suits against offenders, but a comparatively small number of convictions were obtained.

More effective were the boycotts on the part of the consuming public against prices of food and clothing in particular. Buyers' strikes were instituted in many of the great cities, and many organizations for economy were formed. These, in addition to numerous strikes in basic industries, caused a general lowering of prices during the summer of 1920. The Wanamaker Store in New York announced a price reduction of 29 per cent, and Henry Ford restored his prices to a pre-war basis. Within a few weeks the general decline registered between 20 and 35 per cent.

At the root of this economic transformation were foreign as well as domestic causes. Coincident with the revolt of the American public against the high cost of living and the consequent reduction in the demand for produce of all kinds were the sudden cancellation of contracts and the refusal of goods shipped. Indeed, for many months following the war, the bankruptcy of the leading nations of Europe and their inability to make additional purchases or to meet the payments on those previously made added to the general political unsettlement. The Soviets in Russia remained in power regardless of the open hostility of the great nations of Europe and the United States; Germany continued her passive resistance to the peace settlement; and France, whose post-war economic rehabilitation had been based on German reparations, had marched her armies into the Ruhr region, thus threatening the peace of Europe. England likewise was suffering from the collapse of her markets on the continent of Europe and the maintenance of a demoralizing system of doles for her large army of unemployed, while Italy, Spain, and Poland were in the throes of economic and political chaos. Thus, with the lack of the usual foreign market for the surplus of the United States, every branch of American industry felt the pinch, and business conditions, which had seemed favorable during the early months of 1919, reached a low point in 1920 and 1921. Unemployment was general, and the plight of the farmer was especially distressing. However, conditions gradually adjusted themselves to a lower price level; and a fairly satisfactory state of "normalcy" (as President Harding termed it) was restored by the latter part of 1924, except in a few industries, the most important of which was agriculture.

## INDUSTRIAL DISTURBANCES

These important economic changes were accompanied by serious and prolonged industrial disturbances. As has been seen, there was a truce between capital and labor during the war; but soon after the signing of the armistice the attempt of employers to reestablish ante-bellum conditions encountered pronounced opposition from labor, whose commanding position in the economic life of the country had given it prestige and a determination not to return to the old order of things. At the same time, capital was equally unwilling to accept the readjustments necessary to a return to peace conditions. Each blamed the other for the increased cost of living. The result was a veritable epidemic of strikes, beginning in 1919 and lasting for several years, in which the public shared with labor and capital in the consequent suffering.

Although the government had no authority to compel the contestants to adjust their differences in the interest of the public, it brought to bear what pressure it could to attain that object. In October, 1919, President Wilson assembled at Washington an industrial conference composed of representatives of labor, capital, and the public "for bettering the whole relationship of labor and capital and putting the whole question of wages on another footing." The differences of opinion, however, with reference to collective bargaining, the closed shop, and other subjects were so strong that no agreement could be reached. While the public for the most part accepted the stand taken by Mr. Gompers concerning "the right of wage-earners to organize without discrimination, to bargain collectively, and to be represented by the representatives of their own choosing in negotiating with employers in respect to wages, hours of labor, and conditions of employment," capital was adamant. As Wilson still believed that a discussion of the questions at issue would contribute toward that end, he called a second conference in November, 1920, to which he invited seventeen outstanding representatives of the public, most of whom were government officials and business men of more or less prominence. As in the preceding gathering, however, nothing definite was accomplished

toward arriving at an acceptable solution of the question. Meanwhile the American Federation of Labor and the railroad brotherhoods attempted to define the general policies to be adopted by labor in seeking to promote its interests. After repudiating Bolshevism and the I. W. W. as "destructive to American ideals," they reiterated their former position on the main questions at stake in their controversy with capital.

Meanwhile strikes were in progress in hundreds of establishments. Public attention, however, was centered chiefly on those affecting the basic industries of steel, coal, and transportation. The steel strike alone embraced three hundred and seventy thousand men and lasted for several months. Although it failed to attain its direct objective, the recognition of the "closed shop," certain investigations of the conditions of labor in the steel mills, particularly that of the Interchurch World Movement, disclosed such a deplorable state of affairs that many needed reforms were instituted and the eight-hour day was generally substituted for the twelve, which had prevailed in a large proportion of the mills.

One significant feature of the controversy, which contributed to the failure of the strike, was the part taken in it by certain radical elements headed by William Z. Foster, a member of the semicomunistic organization, the Industrial Workers of the World. The report of the Senate investigating committee, of which William S. Kenyon of Iowa was chairman, declared, "Behind the strike there is massed a considerable element of I. W. W.'s, anarchists, and revolutionists, and the Russian Soviets; some radicals are attempting to use the strike to elevate themselves to power within the ranks of organized labor." In many other strikes of the period the same influences were found to be at work within the ranks of the labor organization. Societies known as the "All-Russian Soviet of America" were established in many cities, and under the leadership of Ludwig C. A. K. Martens, an appointee of the Russian government, many acts of violence were committed, in some of which much property was destroyed and lives were lost.

The presence of a considerable number of radicals within the labor organizations and their application of violent methods in

the adjustment of their differences with capital, together with their avowed Bolshevistic tendencies, caused the better element of laborers either to withdraw from the organizations or to strive to purge their membership of these undesirable individuals, who were preaching doctrines antagonistic to the oft-repeated principles of labor.<sup>1</sup> At the same time it caused a revulsion of public sentiment against labor in general. In a number of instances the hysteria thus created led to an attempt to disqualify socialists from officeholding and to the actual deportation of a considerable number of radical labor agitators to Russia and the imprisonment in America of others. With the passing of time the excitement subsided. Strikes became less frequent with the restoration of prosperity, and the influence of radicals steadily declined.

#### AGRICULTURAL DISTRESS

Distressing as were the effects of the post-war reconstruction on the laborer and the industrialist, the plight of the farmer was even more serious both in intensity and in duration. Although sharing in a limited way in the "war prosperity" period of 1916-1919, he had little or no part in that of 1924-1928. This is indeed significant in view of the fact that these years were characterized by a marked advance in agricultural efficiency and an actual increase in production in the face of a decline in the percentage of rural population. Regardless of the many lean years, the process of industrialization of agriculture, which had begun by the middle of the last century, continued unabated. Mechanical horse power, including the internal-combustion engine, had been brought to a high state of perfection; and the automobile, the truck, and the tractor gave to the farmer effective agencies for performing the ordinary tasks of agriculture. The degree of this transformation may be indicated by the increase of tractors from 80,000 in 1918 to 853,000 in 1929 and a corresponding decrease of 25 per cent in the number of horses on American farms. These and other labor-saving devices gave to those farmers who had sufficient funds to purchase them a

<sup>1</sup> The membership of the I.W.W. in the United States declined from 75,000 in 1917 to 30,000 in 1923.

decided advantage over their less fortunate neighbors. Indeed, agriculture became a big business undertaking, and the amount of capital necessary for successful competition increased tremendously. Consequently the use of power machinery tended to increase the average size of farms and to diminish their number.<sup>1</sup> Incidentally, it resulted also in a marked decrease in the demand for farm animals and for those farm products, such as hay, corn, and other feeds, on which they subsisted.

Furthermore, the demand for food during the World War caused an expansion of agriculture far beyond the limits of profitable production in normal times. This in turn stimulated a land boom, a mania for speculation, and the planting of excess acreage to reap the profits from the high prices which all products were bringing in the markets. In 1919, at the peak of the prosperous era, the entire farm crop of the United States was estimated at a value of \$16,000,000,000 as compared with \$6,000,000,000 ten years earlier. The exportation of cereals alone reached the total of \$448,000,000 in 1919, nearly three times that of any pre-war year.

Despite the prosperity of agriculture during the period, however, the farmer was making only about 6.1 per cent on his investment. Not only had the price of land in the cereal states doubled within a decade, but the American farmers were carrying a mortgage debt exceeding \$4,000,000,000 exclusive of other unsecured and personal indebtedness. At the same time excessively high freight rates and the burden of local taxes, which had nearly tripled in the short space of eight years, seriously handicapped the farmer. Moreover, a wide range existed between the price which the agriculturist obtained for his produce and that which was ultimately exacted from the consumer.

The crisis came in 1920 and with it a sudden shift in the fortunes of the farmer. Prices of produce declined so rapidly that in many instances the return was smaller than the outlay. Corn, which in 1919 brought \$1.56 a bushel, sold for 57 cents in 1921. During the same period wheat declined from \$2.14 a bushel to \$1.19, cotton from 29.6 cents a pound to 12.3 cents,

<sup>1</sup> From 1919 to 1924 crop production increased by an average of 5 per cent, and 13,000,000 acres of crop land went out of cultivation.



cattle from 9.72 cents a pound to 5.53 cents, and hogs from 16.23 cents a pound to 7.84 cents. Meanwhile the average value of land dropped from 30 to 70 per cent. Consequently the farmer was unable to meet the exorbitantly high taxes, freight rates, and interest charges. The result was that the number of bankruptcies increased by the thousands, exceeding those of the pre-war period by nearly nine times. Thus the farmer during the latter part of 1920 found himself in a state of insolvency with an enormous surplus of practically every agricultural product on hand. Unrest and dissatisfaction were rife; hostility to the capitalistic régime in the East, at whose door much of the responsibility for his suffering was placed, was voiced on every hand; and frantic appeals were made to the government for relief. Among other things farmers demanded better credit facilities, the abolition of speculation in futures, lower freight rates, reduced taxes, and assistance in exportation to foreign markets.

Various agricultural organizations, the most important of which were the Farm Bureau Federation, the Farmers' Union, and the National Grange, immediately took up the question of farm relief, which before many weeks had become one of the most pressing issues before the country. In 1919 Congress repealed the Daylight Saving Act, and the following year the War Finance Corporation was reëstablished for the purpose of increasing credit facilities and assisting in the exportation to foreign markets. Meanwhile the question had become a political one in the grain-growing states, the representatives from which had formed in Congress in 1921 the "agricultural bloc," composed of members from both parties who were willing to coöperate to secure legislation in the interest of the farmer. By a constant demand for legislative action and the use of obstructive tactics to defeat other measures until concessions were made to them, they succeeded in obtaining the passage of the Futures Trading Act of 1921, which was designed to curb the speculator's control of prices by taxing his operations, the appointment of a special commission to study the whole agricultural situation, and the inclusion in the Emergency and Fordney-McCumber tariffs of many rates intended to afford protection to the farmer. Other legislation gave the agriculturists the right to form or-

ganizations for the disposal of produce in domestic or foreign markets irrespective of the prohibitive clauses in the anti-trust laws, and certain amendments were added to the Federal Reserve and Federal Farm Loan acts for the purpose of expediting and simplifying the system of agricultural credits.

In spite of these achievements, however, the farmer was by no means satisfied. He resolved to continue the fight not only in Congress but also in the presidential campaign of 1924, which was then approaching. As a matter of fact, a measure of relief had come to him; for after 1923 prices increased and became fairly stabilized, and in many sections of the country land values made marked advances. This remarkable recovery, as the Secretary of Agriculture termed it, was phenomenal; yet, with the added value of \$3,000,000,000 to the harvest of 1924, the total netted the farmer less than 4 per cent on his investment.

#### POLITICAL CHANGES

Among the many influences of the World War on the life of the nation was the tendency toward the unification of the people's economic interests and the increase of the functions of both the state and the national government to meet the problems thus created. It was soon discovered, however, that the states were unable to provide adequate safeguards against infringements of the rights of their citizens by the manifold activities of the giant business establishments which the industrialization of the country had brought into existence. Consequently the people turned more and more to the Federal government for legislation to remedy their grievances, a tendency which was accelerated by the developments of the World War. The result was an enormous extension of the activities of the national government into the domain of states' rights and a remarkable expansion of the machinery of administration. Some of the burdens thus shifted from state to nation were laid on boards and commissions appointed for the enforcement of specific legislation, but the major portion of them was taken care of by a gradual enlargement of the personnel of the administration, which in 1929 stood at nearly six hundred thousand.

The first quarter of the twentieth century witnessed also an extension of the suffrage to women. This development came as a natural result of the increased importance of women in the business world. Although the movement for woman's suffrage began in the last century, in 1900 it had been approved by only four states (Wyoming, Colorado, Utah, and Idaho), and little progress was made during the first decade of the new century. Between 1910 and 1915, however, California, Oregon, Kansas, Arizona, Nevada, and Montana were added to the list, and Illinois granted women the right to vote for the president of the United States. Thenceforth the question became one of national rather than local interest, for the advocates of equal suffrage were sufficiently numerous to attract the attention of the politicians. Indeed, in 1912 the movement gained the indorsement of the platform of the national Progressive party, and two years later it won the approval of the Federation of Women's Clubs and the National Education Association.

About this time the defeat of the cause in a number of states, among which were Wisconsin, Ohio, Michigan, New Jersey, New York, Pennsylvania, and Massachusetts, led to the revival of the campaign for an equal-suffrage amendment to the Federal Constitution. Inasmuch as women by then were in a position to take part in the choice of one sixth of the total presidential electors, their demands were not to be regarded lightly. Consequently in the campaign of 1916 every party adopted a declaration favorable to the extension of the suffrage to women, although both the Democrats and the Republicans advocated enfranchisement by state rather than by Federal action. Charles E. Hughes, the Republican candidate, however, issued a statement in favor of the adoption of a Federal suffrage amendment. The question appears to have had no direct influence on the outcome of the election; and since Illinois was the only state east of the Mississippi in which women had the vote, and since the South was solid in its opposition, the proposed suffrage amendment was defeated repeatedly in Congress.

With the entrance of the United States into the World War, however, the indispensable service rendered by the women of the land, thousands of whom accompanied the Expeditionary Force,

serving in a great variety of capacities, won the heartfelt appreciation of those in responsible governmental positions. In September, 1918, President Wilson went before a joint session of the Senate and the House to urge the passage of the national suffrage amendment as a measure "vital to the winning of the war." In June, 1919, the measure, the Nineteenth Amendment, received the necessary vote of a two-thirds majority in both Houses of Congress, and the following year it was ratified by the requisite number of states to make it a part of the Federal Constitution. Thus after nearly a hundred years of agitation the enfranchisement of women was attained.

Contrary to the predictions of the opponents of the measure, an increasing interest has been manifested by the women of the land in questions of a political nature. Not only do a respectable percentage of them avail themselves of the privilege of voting, but many have served in positions of responsibility in the party organizations. Moreover, women have sought and received offices ranging in importance from membership in city councils to membership in legislative bodies and the national House of Representatives and as governors of states.<sup>1</sup>

<sup>1</sup> In 1929 the names of 145 women were carried on the rosters of thirty-eight state legislatures.

## CHAPTER XXXII

### THE ADMINISTRATIONS OF COOLIDGE AND HOOVER

#### CALVIN COOLIDGE AND THE CONSERVATIVE REACTION

While the government was putting forth every effort to restore the country to a peace-time basis and to meet the many economic problems created by the war, important developments were taking place in the realm of national politics. Talk of graft was general. On the very eve of the exposure of the great oil and other scandals, occurred the death of President Harding and the accession of Calvin Coolidge to the presidency. The new incumbent was practically unknown in national politics. Through a succession of local offices which eventually landed him in the governorship of Massachusetts he had displayed no genius or conspicuous talent for public affairs; and, with the exception of the notoriety which came to him through his part in suppressing the police strike in Boston, he had attracted no special attention nor displayed any marked degree of leadership or initiative. Indeed, before his inauguration as vice president in March, 1921, he had never visited Washington nor had he ridden in a Pullman car or crossed the Alleghenies. He was a typical Yankee. In contrast to his predecessor, he played no poker, drank no liquor, **and was a** man of simple habits and manners. Furthermore, he **was lacking** in those personal graces and charms that would make **of him** a popular political leader. He possessed, however, a good though not a brilliant mind. He thought clearly and had an **unusual** capacity for absorbing facts and reasoning about them. **As a** college graduate and a man of books, he knew where and how to find authorities when he needed them. Moreover, he was as conscientious as any president who ever occupied the White House and had unquestioned integrity. At the same time he possessed considerable courage, as was illustrated by his vetoing the Bonus Bill, the McNary-Haugen farm relief bill, and other

measures which the majority of the members in Congress and influential politicians supported.

Thus it was that, regardless of his many shortcomings and the absence of some of those personal qualities which are usually associated with political leadership in the United States, Calvin Coolidge soon won popular confidence. His honesty and sincerity of purpose made a special appeal to the public. At the same time his pronounced conservatism, his frugal habits, his dislike for reforms and reformers of all kinds, and his innate interest in economy won the support of the business men of the country. The presence throughout the land of labor disturbances, the whisperings of graft and malfeasance in public office, the threat of Bolshevism, the uncertainty concerning the future relations of the United States to the nations of Europe which had resulted from the personal struggle between President Wilson and the Senate over the League of Nations, the existence of a serious crime wave in all the large cities, and the appearance of numerous reform movements created among conservative classes something approaching hysteria. In this state of affairs Coolidge appeared as the personification of the old order of things and the upholder of the status quo. His statement of December, 1923, that "the business of America is business" became a popular slogan, and his protestations in behalf of economy in governmental expenditures and the reduction of taxes struck a popular note. Hence before many months had elapsed he became the most trusted as well as the most popular man in the country.

Immediately on his accession to power in August, 1923, he made no drastic changes in the policy of his predecessor. Not only did he retain the cabinet, but he publicly announced that he would follow Harding's policies. In a quiet way, however, he assumed the reins of authority so effectively that by the beginning of 1924 he was admittedly the leader. In time Daugherty, Fall, and Denby, whose names had been associated with the oil and other scandals of the previous two years, were replaced in the cabinet and steps were instituted to bring to justice the culprits implicated in the attempts to defraud the government. These developments proceeded with the least possible degree of publicity or show of anxiety over the seriousness of the

situation. Eventually a higher ethical code came to permeate all departments of the government; while a feeling of stability developed in business circles throughout the country, with the result that before the end of 1924 unmistakable signs of a speedy return of prosperity were visible, although they were less pronounced in agriculture than in other kinds of activity. Accompanying these developments, as has been seen, was a vigorous defense of the rights and interests of American business throughout the world. In fact, with the exception of Central America, where military pressure was being used to restore order, the status of foreign affairs was decidedly more favorable than it had been for several years.

#### THE PRESIDENTIAL CAMPAIGN OF 1924

Contrary to expectations, the political effect of the oil scandal on the Republican party had but little influence in the campaign of 1924. Coolidge himself was generally thought to be free of any contamination; and though his supporters appeared to be in the minority among Republican politicians, he was able to dominate the national convention. Consequently comparatively little opposition appeared to his nomination. His companion on the Republican ticket was General Charles G. Dawes, a successful business man and a political leader from Chicago, who had just returned from Europe, where he was instrumental in formulating a workable scheme, the Dawes Plan, for the German reparations.

In the formulation of a platform the open difference between the President and Congress over legislation and appointments was temporarily sidetracked. After indorsing the administration of Harding the party placed special emphasis on its achievements in the furtherance of a program of economy and the reduction of the debt, a record which it asserted was "unsurpassed in the history of public finance." It approved the Fordney-McCumber tariff, pledged itself to measures designed to promote international peace, to entrance into the World Court, and to the limitation of armaments, and stoutly defended the policy of the administration with reference to Mexico and Central

America. It made a careful analysis of the Republican legislation enacted in the interest of agriculture and promised further assistance. It denounced governmental ownership of railroads, but approved the regulation of public utilities in the interest of the public. It promised an "increasing solicitude" to all disabled veterans and sanctioned the necessity of maintaining an army and a navy sufficiently strong to defend the rights and interests of the country.

In the Democratic convention, which met in New York City, a strong fight developed between the enthusiastic supporters of Alfred E. Smith, the popular governor of New York, and William G. McAdoo, who was backed by Bryan and the West and the South in general, although the old Champ Clark faction joined the followers of Smith. Though the prohibition question was an important factor in the convention, an attempt was made to keep it in the background. Religious affiliations, however, came to the fore in the deliberations; for Smith was a Roman Catholic and McAdoo a Protestant, and the latter appeared to have the sympathy of the Ku-Klux Klan, a secret organization then very popular and influential in certain sections of the country. Although McAdoo led in the balloting for a considerable time, his total number of votes never reached more than 530, while those of Smith, his chief rival, never exceeded 367. After more than a hundred ballots had been cast, the hopelessness of obtaining the nomination of either McAdoo or Smith was recognized, and the honor was bestowed on John W. Davis of West Virginia and New York, a liberal conservative. For the vice presidency Charles W. Bryan of Nebraska, a brother of William J. Bryan, was nominated.

In their platform the Democrats praised the administration of Woodrow Wilson and condemned the corruption of the Republicans. They declared that the tariff was written in the interest of the monopolies, and they charged that it was a hindrance to the development of foreign trade. They made a clear declaration in favor of the government's ownership and operation of the merchant marine and of regulation of the anthracite coal industry, and promised an adequate program for agricultural relief. They denounced the whole foreign policy of the Repub-



lican administration and restated Wilson's policy with reference to the League of Nations. With especial emphasis did they condemn the conduct of the government with reference to Latin America, with whom they stated "God" had "made us neighbors," and proposed that "justice shall keep us friends."

An interesting feature of the campaign was the appearance of a new Progressive party composed of dissatisfied elements in both parties. Senator Robert M. La Follette, an independent Republican from Wisconsin, was named for president, and Burton K. Wheeler, a Democrat from Montana, for vice president. The ticket was indorsed by the Socialist and Farmer-Labor parties and by the American Federation of Labor. The platform declared that the "great issue before the American people today is the control of government and industry by private monopoly" and advocated governmental ownership of railroads and water power and an extension of governmental control of industry in general. It denounced the tariff of 1922, formulated an elaborate program for agricultural relief, promised much legislation in the interest of labor, and condemned the foreign policy of "financial imperialism" as "contrary to the will of the American people, destructive of domestic development, and provocative of war." Furthermore, it made a special appeal to the advocates of political and social reform.

The campaign itself was uneventful; for the differences between the two major platforms were insignificant, and both Coolidge and Davis were conservatives. Though La Follette made a vigorous and somewhat colorful canvass of the country, the elements supporting his candidacy were too divergent to win general support. At the same time the Democratic party was too thoroughly demoralized as a result of the factionalism developed in the national convention to make a well-coordinated appeal to the people. Consequently the Republicans were returned to power with an electoral vote of 382 against 136 for the Democrats and 13 for the Progressives. The popular vote stood as follows: Coolidge, 15,748,000; Davis, 8,617,000; and La Follette, 4,686,000.

THE POLITICAL SITUATION DURING COOLIDGE'S SECOND  
ADMINISTRATION

In the Congress elected in 1924 the Republicans remained in control of both Houses, although with reduced majorities. At first the La Follette Republicans, who had bolted the ticket, were voted out of the party and the Federal patronage was withheld from them; but two years later they were restored to full membership in the organization. This was especially significant, since the so-called insurgent Republicans, under the leadership of William E. Borah of Idaho, Hiram Johnson of California, and G. W. Norris of Nebraska, held a balance of power in Congress — an advantage of which they availed themselves on many occasions to obtain legislation which they desired, even though it had the support of a relatively small percentage of the members of Congress.

At that time the political situation in the United States was nearing the completion of a remarkable transformation. By the end of 1926 Roosevelt, Wilson, Lodge, Penrose, La Follette, Bryan, Debs, Gompers, Cummins, Cannon, and others who had been instrumental in shaping the policies of the government for a quarter of a century and more had either died or retired from politics, and their places had been taken by a younger group of leaders. Both in and out of Congress a distinct trend away from the rock-ribbed partisanship which had characterized American politics in the past was evident. Party lines were often obliterated or frayed, leaders were local or accidental, and the issues were confused. Indeed, the basic differences in the policies of the two major parties became less pronounced than at any period for seventy-five years. Even the administrative party was in no sense united. Although elected by an enormous majority, Coolidge was constantly at variance with his party leaders. In fact, his recommendations for legislation were repeatedly disregarded, and on one occasion the Senate refused to confirm an appointee to the cabinet, an almost unprecedented act.

Though Coolidge passed into his second term, in 1925, without any special sensation, a number of important changes were made in his official family. Frank B. Kellogg of Minnesota, who had

been the ambassador to Great Britain, replaced Charles Evans Hughes as Secretary of State, Dwight F. Davis became Secretary of War after the resignation of John W. Weeks, and when Attorney-General Harlan Fiske Stone was elevated to the Supreme Court his position was filled by the appointment of John G. Sargent of Vermont.

Economy continued to be the keynote of Coolidge's administration, although critics endeavored to prove that it was not genuine. The national budget system remained in force with marked efficiency. With the exception of agriculture the country was very prosperous, the Federal Treasury showed an annual surplus, the debt was substantially reduced, and the tax burden was lightened. Furthermore, the corruption which had created a national scandal in the previous administration was largely eliminated; and an attempt was being made, as has been said (pp. 731 f.), to bring those who participated in it to justice, although only a few convictions were ever obtained. Among the questions which engaged the attention of the administration and of Congress, most of which have been discussed elsewhere, were the entrance of the United States into the World Court, the further restriction of immigration, tax reduction, flood control, the enforcement of prohibition, the conduct of the administration with reference to Latin America (particularly Nicaragua), and farm relief, which became of increasing importance as the presidential campaign of 1928 approached.

### THE PRESIDENTIAL CAMPAIGN OF 1928

As early as 1926, party lines were beginning to take shape with the next presidential campaign in view. Speaker Nicholas Longworth had a large following among the conservatives, and the Progressives declared their intention of forcing the nomination of some available leader of the farmer's cause, the most likely of whom were Vice President Charles G. Dawes and Frank O. Lowden. In certain business and administrative circles the demand for the renomination of Coolidge was general, inasmuch as he had a wide popular following which disregarded the third-term bogey raised by his enemies. The silence of the President on the

question of his candidacy, however, was an embarrassment to other aspirants. Finally, on August 2, 1927, Coolidge released for publication the laconic statement, "I do not choose to run for president in 1928." Whether he intended it or not, the indefiniteness of this utterance left open the possibility of his being drafted. Consequently the demand for his nomination persisted until the assembling of the national convention. Meanwhile a number of candidates appeared in the field, the most important of whom were Hoover of California, Curtis of Kansas, Watson of Indiana, Norris of Nebraska, and Lowden of Illinois. Of these Hoover had the support of the administration as well as of the rank and file of the party, although the political leaders tended to look on him with many misgivings. His campaign gradually gained such momentum that at the national convention he was nominated on the first ballot.

In drafting their platform the Republicans encountered many difficulties; for various groups, the most important of whom were the farmers and the advocates of the modification of the prohibition laws, appeared in strength to demand the recognition of their particular tenets. The extreme demands of these and other organized groups, when carried to the floor of the convention, were defeated in each instance by a substantial majority. The platform as finally adopted indorsed unqualifiedly Coolidge and the Republican policies. It declared that "economy" had "been raised to the dignity of a principle of government," the burden of taxation had been lightened, the debt had been measurably decreased, business had prospered under the protection afforded by the Republican tariff, the foreign debt had been funded, American interests abroad had been adequately protected, and the cause of world peace had been advanced. It recounted with reference to agricultural relief the measures adopted by the Republicans and gave assurance that the tariff would be revised so as to give agriculture the same degree of protection that manufacturing enjoyed. Furthermore, it proposed a reorganization of the marketing facilities of the country, the encouragement of diversified farming, and the creation of a Federal Farm Board to promote the establishment of stabilization corporations. It indorsed legislation in the

interest of labor and promised the efficient enforcement of the Eighteenth Amendment.

Though considerable factionalism existed in the ranks of the Democratic party, the candidacy of Alfred E. Smith of New York had been pushed so effectively by his enthusiastic followers since his failure to obtain the nomination in 1924 that when the convention assembled, in the face of the openly expressed unwillingness of large elements in the party to support his candidacy, he obtained the nomination on the first ballot.

After paying tribute to the memory of Woodrow Wilson, the Democratic platform denounced Republican corruption in the administration of the government and condemned its policy of taxation as being in the interest of the moneyed classes of the country. It assailed the tendency toward a further centralization of governmental functions and expressed an urgent need for the spirit of local self-government and the preservation of states' rights. The position of the party on the tariff issue, however, was somewhat indefinite. It assured legitimate business that nothing would be done detrimental to its well-being, and labor that it purposed to maintain the existing wage standard. The Democrats, criticizing the methods of the Republican party in extending relief to agriculture as unsound and impractical, proposed a program which they stated would place agriculture on an equality with other industries by their policies of better credit facilities, the establishment of a Federal Farm Board, the adjustment of taxes, the revision of the tariff in the interest of the farmer, and the encouragement of coöperatives. With reference to foreign affairs the party pledged itself to support any feasible program for the outlawry of war and for disarmament, freedom from entangling alliances, and the protection of American rights. Moreover, it promised "an honest enforcement of the Eighteenth Amendment and all other provisions of the Federal Constitution and all laws enacted pursuant thereto." It assailed the Republican attitude toward trusts and monopolies as "rapidly" placing the country in the hands of trusts and monopolies. At the same time it declared, "Honest business, no matter what its size, need have no fears of a Democratic administration."

The campaign of 1928 was unique in the history of presidential elections not only in the issues involved and the breaking down of long-established party lines, but in the character and the means of making appeals to the public. On the burning question of the enforcement of prohibition Smith declared for enforcement, but said that he proposed to use his influence to secure the repeal of the Eighteenth Amendment and the Volstead Act, with the purpose of placing the jurisdiction of the question in the hands of the states, where, he maintained, it belonged. In the course of the campaign he came out boldly in support of a protective tariff regardless of the traditions of the party and the ideas of a large element in it. Hoover, for his part, adhered rather strictly to Republican policies as outlined in the platform, although he emphasized at length his own opinions with reference to the relationship that should exist between the government and business activities. Because of the attitude of Smith toward national prohibition and the tariff and his adherence to the Roman Catholic faith, many prominent Democrats, particularly in the South and the West, where Protestantism is most strongly entrenched, refused to support their ticket, either voting for Hoover or not voting at all. At the same time many influential Republicans deserted the party and entered enthusiastically into the campaign for Smith.

On election day the Republican victory was unexpectedly large. Not only did Hoover win with an electoral vote of 444 to 87 for Smith, but his popular majority exceeded 6,000,000 votes.<sup>1</sup> Norman Thomas, the Socialist candidate, polled 267,000 votes. Hoover carried New York, Smith's native state, and Maryland, Virginia, North Carolina, Florida, Kentucky, Tennessee, Missouri, Oklahoma, and Texas of the Southern states. The Republicans remained in control of both Houses of Congress by substantial majorities.

<sup>1</sup> Smith carried Massachusetts, Rhode Island, South Carolina, Georgia, Alabama, Mississippi, and Louisiana.

## PRESIDENT HOOVER AND THE REPUBLICAN POLITICIANS

For the cabinet President Hoover named Henry L. Stimson of New York, whom he recalled from the governorship of the Philippine Islands, as Secretary of State, Andrew W. Mellon of Pennsylvania as Secretary of the Treasury, Patrick L. Hurley of Oklahoma as Secretary of War, William D. Mitchell of Minnesota as Attorney-General, Walter F. Brown of Ohio as Postmaster-General, Charles F. Adams of Massachusetts as Secretary of the Navy, Ray Lyman Wilbur of California as Secretary of the Interior, Arthur M. Hyde of Missouri as Secretary of Agriculture, Robert M. Lamont of Illinois as Secretary of Commerce, and James John Davis of Pennsylvania as Secretary of Labor. Mellon and Davis had been members of the previous cabinet. Among other important appointments Charles G. Dawes, the retiring vice president, was named ambassador to Great Britain, and after the death of Chief Justice Taft, Charles Evans Hughes was chosen as his successor. In making political appointments President Hoover announced at the time of the appointment the names of those who recommended it, a procedure which tended to eliminate undesirable selections. Though on the whole his appointees were men of integrity and recognized ability, often they did not meet with the approval of the politicians; in fact, in several instances the Senate withheld its confirmation until its wishes were complied with.

The unpopularity of the new president with professional politicians became evident immediately after his inauguration; and the breach tended to widen after the assembling of Congress, when the passage of legislation recommended by Hoover was delayed for months or was disregarded altogether. Consequently the volume as well as the character of the legislation enacted was not very satisfactory. This showed the inability of the President to dominate his party in Congress and in the country as a whole, regardless of the fact that the sincerity of his intentions was not questioned. Indeed, few presidents have given so unstintingly of their time and energy to the public service as Hoover.

## FEDERAL FARM LEGISLATION

The most pressing matter before the country during the first months of Hoover's administration was agricultural relief. As has been seen, various measures had been passed during Coolidge's administration with this object in view, but the annual surplus of certain products had been so great that the problem remained for the most part unsolved, especially in the wheat and live-stock industries of the Middle West. A definite program of relief had been formulated and introduced in Congress as the McNary-Haugen Bill. This measure was based on the assumptions that the tariff did not really protect agriculture, and that the only feasible solution of the problem of their peculiar surplus was the fixing of the domestic price so as to insure a reasonable profit. The production of any given crop over and above domestic needs was to be sold in the world's markets for what it would bring under the supervision of a specially created Federal Board with power to levy an "equalization fee" on the production, processing, or distribution of the commodity in order to reimburse the producers when the surplus had to be marketed at a loss. Thus, the net price to the producer would be the fixed price minus the equalization fee; and since an enlarged surplus would necessarily entail a greater fee and a consequent lower price, overproduction would be discouraged. Several separate measures of this kind had been passed in succession by Congress; and in each instance President Coolidge had returned them with his veto, basing his action on the ground that the legislation would be a grant of special favor to particular crops, that the policy of price-fixing was fundamentally unsound and un-American, that it increased the price to the consumers, that it was at variance with the well-established principle of preventing combinations in restraint of trade, that it would encourage speculation, that it would lead to a greater and greater participation on the part of the government in business, and that the plan of marketing the surplus in foreign countries would be regarded in the light of "dumping" and would lead to retaliatory measures against American products.<sup>1</sup>

<sup>1</sup> The sponsors of the bill maintained that all these objections might be made to the tariff, which was enacted primarily in the interest of the manufacturer.



As a substitute the administration had formulated the so-called Jardine-Coolidge program, which proposed to extend additional Federal assistance to agricultural research, to foster the growth of farm-controlled coöperatives, which, acting through central stabilization agencies, were to coördinate the thousands of coöperators in each branch of production. A Federal Farm Board was to be established as the national instrument through which these objectives were to be attained.

Since Congress had been unwilling to accept this program and the administration had been equally obdurate with reference to the McNary-Haugen legislation, the matter was made an issue in the presidential campaign of 1928. Hoover gave his unqualified support to the Jardine-Coolidge policy, while Smith and his Democratic colleagues, although not openly approving the McNary-Haugen program, made certain definite concessions to it. Since other issues were involved in the campaign, and since agriculture meanwhile had made a practically complete recovery in some localities, the importance of the question was minimized. As a matter of fact, McNary and many other farm leaders gave their support to the Republicans, who, as has been seen, won every Mid-Western and Western state by substantial majorities.

During a special session of Congress called to enact legislation in the interest of agriculture and to revise the tariff to the advantage of both agriculture and industry, many weeks were consumed in a bitter struggle between those who supported the extreme position of the Mid-Western group and the followers of the administration. In the end the main features of the administration's program were approved in a bill passed in June, 1929. This measure established a Federal Farm Board to supervise the lending of money to coöperative associations from a revolving fund of \$500,000,000 created for this purpose. President Hoover appointed Alexander Legge, president of the International Harvester Company, chairman of this board. Since the widespread depression beginning in 1929 seriously embarrassed the newly created Federal Farm Board in its work, the degree of success achieved by the new policy is not ascertainable. Credit running into millions of dollars has been extended to various coöperatives, but as yet it is too early to pass judgment on the

results.<sup>1</sup> Meanwhile the different credit agencies of the government have been rendering what assistance they could to those branches of agriculture that were in distress. The Federal Intermediate Credit banks alone during the first seven years of their existence lent more than \$1,000,000,000 to farmers.

### THE HAWLEY-SMOOT TARIFF OF 1930

Despite the fact that the Republicans in the campaign of 1928 made the question of tariff revision an important feature of their program for agricultural relief, not until the early summer of 1930 did they succeed in getting the measure through Congress. Since the enactment of the preceding tariff act, in 1922, most of the countries of Europe had embarked on a policy of extreme protection, and in the United States economic conditions had altered materially. New articles were being produced, old articles had assumed new forms, a new price level had been established, and new competitors had appeared in the field. Consequently many duties had become obsolete or ineffective, because they were either too high or too low. Hence a general revision of the tariff to meet these conditions seemed advisable.

In the special session of Congress called by President Hoover in the spring of 1929, however, the proposed tariff legislation encountered so many obstacles that the session adjourned without taking any action. The question was reconsidered when that body reassembled in December; and after several months of almost constant discussion an agreement was reached in June, when the new measure passed Congress and received the presidential signature. Of the 3218 dutiable items in the bill, only 1122 were altered from their previous status. Of these 887 were increased and 235 reduced. Of the increases 68 per cent related to agriculture. Although the average ad valorem rate on all items was 41.22 per cent, the actual advance was slightly less than 3 per cent. In the case of agricultural products, however, it was much higher, since such articles as cereals, live stock,

<sup>1</sup> In 1927 the 11,400 active farmers' coöperative associations, with an estimated membership of 3,000,000, transacted business to the amount of \$2,300,000,000. Especially successful have been the numerous coöperative marketing associations.

dairy products, wool, cotton, sugar, hides, leather, and shoes received substantial increases. The industrial products given increases in rate included textiles in the raw and semiprocessed states, clothing of all kinds, and manganese and zinc ore. Few changes were made in metals; and plate glass, aluminum, and automobiles were the major products given lower rates.

In order to adapt the tariff more effectively to conditions as they should arise, the powers and the functions of the Tariff Commission were enlarged. Among other things, it was empowered to recommend what any new rate should be, whereas previously it was merely a fact-finding body. The flexible provisions of the previous tariff act were continued, under which the president, on the recommendation of the Tariff Commission, might increase or decrease duties within a 50 per cent limit. This instrumentality was expected to maintain a more equitable adjustment of individual rates and to obviate the frequency of readjustments in tariff.

President Hoover, though disapproving of many features of the Hawley-Smoot measure, signed the bill, because he feared that further uncertainty in the consideration of the question would prolong industrial instability and would delay materially the restoration of prosperity. He felt also that by a proper use of the flexibility clause many of the objectionable rates could be adjusted.

Meanwhile the world-wide industrial depression had hampered business so seriously that the new tariff appeared of little consequence in restoring prosperous conditions. In the United States hostility to the schedule of rates was voiced on every hand, and the governments of more than twenty nations protested against the operation of various items with reference to their own industries; while a number of them (notably Canada and several Latin-American countries) passed rigid retaliatory measures.

Although time alone will test the tariff legislation of 1930, it seems reasonably certain to fail to accomplish what its most enthusiastic supporters hoped of it. In fact, because of the peculiar international economic and political complications growing out of the world depression and post-war readjustments, it may even embarrass the government seriously in diplomatic relations.

## THE INDUSTRIAL CRISIS OF 1929-1931

At the time of the presidential election of 1928 and for nearly a year thereafter the country as a whole was very prosperous. Prices were good, manufacturing establishments were operating at full time, unemployment was reduced to a low margin, and capital found remunerative investment. Never in the history of the country had the stock market been so active, nor had the transactions there previously reached the level then attained. Business concerns of every kind were expanding, and Americans were making investments in all parts of the world. The situation, however, was ominous. Under the inspiration of high prices and a ready market the application of labor-saving machinery to agriculture and manufacturing was proceeding with such rapidity that a vast surplus was being put out in practically every line of economic endeavor at the same time that a speculative mania had seized a considerable portion of the people. To complicate matters further, an unprecedented volume of stock was placed on the market during the early fall of 1929 at just the period when European finances were at a critical stage.

Thus, with a surplus in the United States and with a reduction in the buying capacity of the rest of the world, American industry was faced with the necessity of immediate deflation and the curtailment of output. The climax came during the latter part of October, 1929, while Congress was still considering the tariff measure. Within a few days the prices of stock suffered one of the most drastic declines in the history of the country. Though business and banking interests did what they could to stem the tide, relief was only temporary. In the spring of 1931 the prices of industrial stocks were at a new low level with little hope of any considerable recovery for another half-year or more. Meanwhile the losses had run into billions of dollars, manufacturing establishments of every sort were forced to close their doors or curtail their output, the payment of dividends was suspended or reduced, commodity prices declined sharply, and unemployment became more widespread than at any time since 1920. To relieve this critical situation the government called various conferences to study the question, but its efforts for the most part

were ineffective. At the same time, however, something was accomplished through the spending of several hundred million dollars by municipal, state, and national governments for public works, though the effects were only temporary and ultimately the expenditures must be met out of public taxes.

The situation, however, offered a contrast to those painful sequels of past panics in that although it was accompanied by the usual train of bank and stock-exchange failures, the volume of capital in the country was more than ample to meet any financial emergency. Equally striking was the fact that the accounts of individuals in savings banks exceeded in total value those of any previous period.

#### THE DROUGHT OF 1930

Added to the difficulties connected with the industrial crisis of 1929-1930, the unsatisfactory nature of the Republican tariff legislation, and the unwillingness of Congress to cooperate to any marked degree with the administration was the blight of a devastating drought accompanied by intense heat during most of the summer of 1930, which wrought havoc to the hard-pressed farmer. Though wheat had matured in most sections of the country, the yields of corn, hay, and other crops were reduced to a point where the margin of profit was eliminated, and in many instances an actual loss was incurred. To alleviate the suffering of those thus affected the government could do little. President Hoover called a number of conferences to study the question, and some assistance was granted through the extension of credit and other governmental services. One significant feature of the influence of the drought on agriculture was that the surplus in many crops was so much reduced that prices materially advanced.

#### THE CRIME WAVE AND LAW ENFORCEMENT

Among the post-war problems that of the prevalence of crime, together with the general disregard for law and order, occasioned the greatest anxiety on the part of those in charge of municipal, state, and national governments. Although its worst effects were to be found in the great cities, where millions of dollars were

wrested from the citizenry through racketeering and other criminal methods and where the government's law-enforcing agencies themselves were silenced by bribes of one sort or another, the crime wave extended over the entire nation. Indeed, during the administration of President Harding it manifested itself, as has been seen, in probably the most disgraceful as well as the most extended orgy of graft and corruption which the national government has ever known. In the cities in particular the efforts of law-abiding citizens to maintain peace and order were of little or no avail. Extortion of money under threat of violence was practiced on a wide scale, and hundreds of murders were committed. Moreover, only an insignificant percentage of the perpetrators of these outrages were arrested, and a yet smaller percentage were ever brought to justice. Although known throughout the country for their criminal activities, the racketeers were able to move about at their pleasure with little interference on the part of the government. Indeed, one of them boasted openly that in a single year his organization had expended \$30,000,000 to silence and nullify the efforts of the various law-enforcing agencies. The effect was evident in the freedom which he and his associates continued to enjoy in the practice of their occupation. The prevalence of crime may be comprehended from the report of the New York State Crime Commission in 1931, which estimated the annual cost to the country of the "crime industry" at from \$12,000,000,000 to \$18,000,000,000, or a minimum of \$100 per capita. Though the illicit manufacture and sale of intoxicating liquor provided the incentive for much of this activity, criminals operated in many other fields.

The inability of the municipalities and states to deal with the situation adequately caused the national government on several occasions to take the matter under consideration. Large appropriations were added at various intervals to the funds for prohibition enforcement, and the organization of the enforcement machinery was altered several times with the hope of eliminating the evil. To an American citizen profoundly interested in the welfare of his country the one fundamental difficulty seemed obviously that of lack of respect for the law. Indeed, President Hoover attached so much importance to it that he devoted one

quarter of his inaugural address to that topic alone. Among other things, he said: "Our whole system of self-government will crumble either if officials elect what laws they will enforce or citizens elect what laws they will support. The worst evil of disregard for some law is that it destroys respect for all law." Acting on his recommendation Congress appropriated funds for an extensive investigation of crime and law enforcement. To the Crime Commission thus provided for, President Hoover appointed some of the most distinguished citizens of the country, with George W. Wickersham as its chairman. After many months of labor the commission returned a voluminous report. Unfortunately, however, it indicated such a diversity of opinion on causes of crime and remedial legislation that it offered no concrete solution of the crime problem that seriously vexes the peace and orderliness of the nation.

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## CHAPTER XXXIII

### SOCIAL AND CULTURAL TENDENCIES, 1890-1931

#### CHANGES IN POPULATION

A cross section of the United States at the close of the Civil War would have revealed a state of society with little resemblance to that of today. From a nation of farmers, city artisans, independent business men, and small-scale manufacturers at that time the United States has developed into one of the great industrial and commercial countries of the world. Although those characteristics of its earlier growth — the expansion of the West, the concentration of the people in cities, the development of agriculture and manufacturing, and the improvement of means of transportation — were present in 1865, other factors equally significant and far more spectacular were being felt, especially after 1890. Particularly, the mechanical and scientific advance of the period since then has been so great and its application to all classes of society has been so uniform that it has caused a veritable revolution in the manner of living, the cultural interests, and the material well-being of the entire country.

In the population itself many striking changes have occurred, each of which has exerted a profound influence on the social, economic, and political life of the nation. Not only did the number of people in the country increase from 62,947,714 in 1890 to 122,775,046 in 1930, but through immigration and migration a set of conditions and problems arose totally different from those which existed earlier in the history of the United States. Regardless of the fact that these new accessions to the population were distributed over a greater area than the old and that the actual percentage of increase per decade decreased from 33 per cent before the Civil War to 21 per cent during the first ten years of the twentieth century and to 15 per cent during the decade of the World War, certain sections showed marked

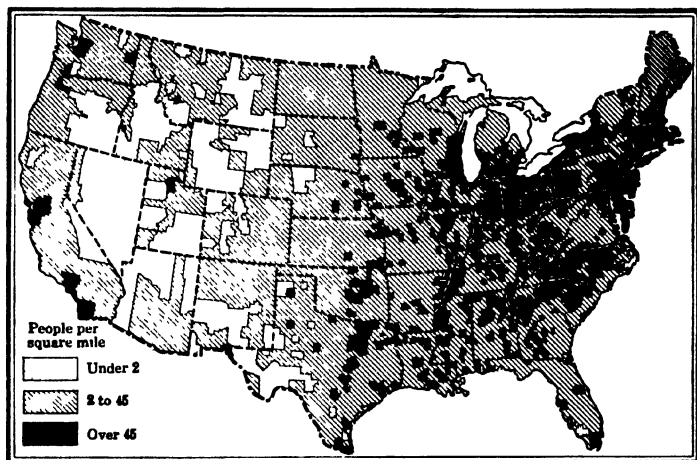


increases, notably the industrial centers of the Northeast, the north-central states, Texas, Alabama, Oklahoma, and the states of the Pacific coast. In 1930 New York continued to lead the states with 12,588,066, followed by Pennsylvania with 9,631,350, Illinois with 7,630,654, Ohio with 6,646,697, and Texas with 5,824,715. The population of these five states combined represented one third of that of the nation. Among the individual states the increase of California during the single decade of the twenties was 65.5 per cent and of Florida 51.4, while that of Michigan, Arizona, New Jersey, Texas, North Carolina, Oregon, and New York ranged from 32 per cent in the case of Michigan to 21.5 in that of New York. Regardless of the fact that the frontier line as defined by the Census Bureau had long since disappeared, the population continued to be extremely mobile. Yet, as in the period before 1890, the population movement was from East to West, the trans-Mississippi West being the chief beneficiary. Indeed, in 1930 more than half the people living in ten states in that region were born elsewhere, while the percentage for the entire nation was slightly in excess of 20 per cent.<sup>1</sup>

By far the most significant change in population during the past half-century has been the continued growth of the urban centers. Indeed, the purely agricultural states, because of the introduction of labor-saving machinery, the lure of the modern city (which made an especial appeal to the restless and ambitious), and adverse economic conditions on the farms, registered a com-

<sup>1</sup> Primarily, the purpose of the census is to determine the number of inhabitants in each state for use in apportioning the 435 seats in the national House of Representatives. After the census of 1920, however, those states that would lose representatives as a result of the failure of their representative populations to keep pace with the increased ratio of representation were successful in defeating reapportionment. After a decade of debate over the question and constant pressure from the states that were entitled to additional representatives, Congress in 1929 authorized a reapportionment immediately following the completion of the census of 1930. The significant feature of this action will be the loss of voting strength in the House of Representatives on the part of the rural population and a corresponding gain in that of the urban and industrial sections of the country. By the new ratio of apportionment of one representative to each two hundred and eighty thousand inhabitants, eleven states will gain one or more representatives and twenty-one states will lose one or more. The gain for California is 9, for Michigan 4, and for New Jersey, New York, and Ohio 2 each. Missouri will lose 3, and Georgia, Iowa, Kentucky, and Pennsylvania 2 each.

paratively small increase and in some instances an actual decline in numbers. Whereas at the close of the Civil War less than one fourth of the total population lived in cities of more than 2500 inhabitants, the percentage had advanced to 40 in 1900, to 45.8 in 1910, to 51.4 in 1920, and to 56.2 in 1930, when the actual figures were urban 68,955,521 and rural 53,819,525. But in this drift from the country to the cities, which has been so marked



DISTRIBUTION OF POPULATION IN 1930

since the turn of the century and which contains so many interesting political and social implications, there are no indications of any dangerous draining of human resources from the rural districts. No "rush" from the farms and villages is reflected in the official figures. The rural population has steadily increased along with that of the country as a whole. As a matter of fact, it was 8,000,000 more in 1930 than in 1900, and in the single decade of the twenties it had gained 2,400,000.<sup>1</sup>

The growth in the number and size of cities has developed an intense rivalry between the townsmen and the countrymen for

<sup>1</sup> Between 1920 and 1930 the number of cities with a population exceeding 100,000 increased from 68 to 94. While New York City, Chicago, Philadelphia, and Detroit held their relative positions among American cities, Los Angeles jumped ahead of Pittsburgh, Baltimore, Boston, St. Louis, and Cleveland.

the mastery of the state and national governments. Evidences of this are to be found in practically every state in the Union. Moreover, conditions are likely to become still more acute with the increase of class consciousness, especially on the part of the farmers. Since the problems of the two groups are fundamentally different and often diametrically opposite, their interests necessarily clash on such questions as taxation, representation, daylight-saving, and prohibition, as well as on a host of others of equal significance. Already, both in state legislatures and in Congress, agricultural blocs have been formed to safeguard the interests of the farmer. Though these efforts have met with a large measure of success, the influence of the cities, with their tremendous wealth, is steadily increasing.

### IMMIGRATION

In contrast to that of many great nations the population of the United States is composed of many racial groups. Indeed, during most of her history she has welcomed the political refugees and the socially and economically downtrodden peoples of other countries, with the result that the settling of America furnishes one of the most dramatic chapters in the history of human migrations. In the course of the nineteenth century 36,000,000 found homes in the United States; and in the present century, until the outbreak of the World War, others were being admitted at the rate of a million annually. These accessions, which are indicated by the fact that during the past century the foreign-born usually represented about one seventh of the total population, have accelerated the development of the country's resources. At the same time, however, grave problems have arisen from this rapid expansion and the social and economic chaos which in too many instances accompanied it. Furthermore, the inequalities in pressure of population and differences in living standards among the nations from which the immigrants came have made the importation of labor a problem full of both domestic and international complications.

Until about 1880 the bulk of immigrants came from the countries of northern Europe, where a high degree of literacy pre-

vailed and where the life of the people was not radically different from that in America; consequently assimilation was accompanied by no serious problems. After 1880, however, conditions in northern Europe were so materially improved that the number of immigrants decreased; and people from southern and eastern Europe, where the percentage of literacy was low and where the environments were so totally different from those in America that assimilation became a difficult problem, began to enter America by the tens of thousands. During the first decade of the twentieth century alone 2,104,209 Italians, 976,263 Jews, 873,660 Poles, 332,446 Slovaks, 318,674 Magyars, 309,727 Croats and Slovenes, 210,794 Greeks, 158,089 Lithuanians, and 143,143 Ruthenians were admitted.

As the distribution of these immigrants was determined by the opportunities for employment, they tended to concentrate in the large manufacturing cities of the East, the new industrial towns of the north-central states, and the mining and smelting communities. In many places the racial complexion of vast regions was almost completely altered. In 1870, of the 108,000 foreign-born in the anthracite coal region of northeastern Pennsylvania 97 per cent were from northern Europe; in 1910 this proportion had declined to less than a third, while the Slavs and Italians alone had increased from a total of 306 to 178,000. At the middle of the century New England was more than 90 per cent Anglo-Saxon; today her representatives of that racial stock are in a decided minority. Other illustrations equally striking might be cited. The South Atlantic states, however, have remained almost untouched by immigration, partly from unfavorable economic opportunities and partly from the presence of an abundant supply of cheap labor in its mountain regions and in its Negro population. It is therefore more typically Anglo-Saxon today than any other part of the country.<sup>1</sup>

The disappearance of the free land and the industrialization of the country gradually created a demand for the restriction of immigration. In this movement labor, because it feared the

<sup>1</sup> In 1930, in the United States as a whole 46.4 per cent of the foreign-born were natives of northwestern Europe, 40.2 per cent were natives of central, southern, and eastern Europe, and 13.4 per cent were natives of other countries.

effect on wages of competition between native and alien workers, took an active part. The steps leading to the passage of the Chinese Exclusion Act of 1882 and the consummation of the Gentlemen's Agreement with Japan in 1907 have been discussed elsewhere. The problem of European immigration, however, was so wholly different that its solution involved more factors and consequently required more time than that of immigration from the Orient. Nevertheless, as early as 1890 an organized movement was under way to bring about the adoption of some policy of selective immigration, and the question was studied by a number of special commissions. Between 1896 and 1917, laws requiring all immigrants to pass a literacy test were passed by Congress on four different occasions, only to meet with presidential vetoes. Meanwhile a number of acts had been passed prohibiting the entrance into the United States of certain classes, such as criminals, diseased persons, and paupers, but these laws had little influence on the movement of immigrants as a whole and concerned at the most only a few thousand individuals. In 1917, however, Congress passed over the veto of President Wilson a comprehensive immigration law which included the much-mooted literacy test. This measure was disappointing, however, in that after the close of the World War immigrants began to arrive again in great numbers. In fact, during the fiscal year ending June, 1921, 805,228 persons were admitted, 65 per cent of whom came from countries of southern and eastern Europe.

To meet this unexpected condition, Congress passed laws in 1921 and 1922 replacing the old restrictive legislation by the quota system. These measures provided that immigration from any country in Europe or a European colony, except Canada and Newfoundland, should be limited to 3 per cent of the number of persons born in that country who were residents of the United States at the time of the census of 1910. In 1924 this legislation was superseded by the National Origins Act, a temporary measure, which provided that the quota percentage be reduced from 3 to 2 per cent and that it be applied to the figures of the census of 1890, when the northern European stock was relatively stronger than in 1924. The national-origins principle

of this law was to be effective in 1927. By this quotas were allocated, not according to the number of foreigners who happened to be in the United States in a particular census year, but according to the make-up of the entire population of the country. In other words, quotas were given to European countries in relation to their total contribution to the American people from earliest colonial days down to the present; and the act arbitrarily fixed the total annual European immigration to the United States at about 154,000. Hence if a certain racial stock has contributed one fourth of the total white population of the United States, that country is allowed one fourth of the 154,000 immigrants in a year.

Owing to the difficulty in obtaining data on which to base this system the application of this act was postponed from 1927, the date set for its enforcement, until 1929. At that time, accordingly, it was put into operation, since Congress refused to alter its provisions at the urgent request of President Hoover. Many complications are arising in connection with its enforcement, some of which will need to be remedied by future legislation. Nevertheless the arrangement, as was intended, gives the people of northern Europe a decided advantage in acquiring permission to enter the United States and greatly reduces the number of actual annual entrants. An important feature of this act of 1924 was the insertion of a clause specifically excluding Japanese immigration.

Since this, as well as previous legislation, does not apply to the countries of Latin America and Canada, a movement is developing to place rigid restrictive measures on Mexico, from which immigrants are arriving in unprecedented numbers. Indeed, the Mexican colony at San Diego, California, numbered (1930) 200,000, and it is asserted that the states of the Southwest are well on their way to being Mexicanized. From 60,000 to 80,000 are arriving annually. Southern Texas and New Mexico have an increasing number of large Mexican settlements, and New Mexico has a larger percentage of Mexicans than any other state.

## THE WOMAN'S RIGHTS MOVEMENT

Significant as have been the economic and social changes in the United States since the close of the Civil War, probably nothing has had a greater influence on the life of the people as a whole than the "emancipation of woman." Although many forces were at work looking toward that end during the preceding half-century, comparatively little progress was made in the alteration of her economic and legal status before 1865. After that, however, the extension of labor-saving machinery and the new industrial era revolutionized not only manufacturing, transportation, commerce, and business in general, but life in the home as well. There, as elsewhere, labor-saving devices shortened the time necessary to perform the ordinary tasks and to provide food for the members of the household. Furthermore, the growth of coöperative living in apartment houses, with their central heating, lighting, and cleaning systems, liberated altogether the time of thousands of women. Meanwhile many of the former home occupations, such as spinning, weaving, and the preserving of fruit and meat, passed to the factories, which in turn opened to women innumerable opportunities to earn a livelihood. Since these forces, which completely transformed the economic life of the nation and of the home, extended over a considerable period of time, neither capital nor labor fully appreciated the significance of the machine era and the part which woman was destined to play in it. Business insisted on regarding her as a transient in the industrial occupations. Consequently the casting aside of the age-long concepts of the proper sphere of women in society could be attained only after much time had elapsed and the women themselves had waged a concerted campaign.

Their first victories in the direction of legal equality with men, and incidentally by far the most important, were attained in connection with the ownership of property and the control of children. According to the English common law, which prevailed in most of the states at the beginning of the nineteenth century, married women legally could neither buy nor sell property. Earnings also, obtained either from business enterprises or from

wages, belonged legally to their husbands and could be spent only with the husband's approval. Likewise children were under the complete control of fathers. Indeed, as late as 1902, only nine states and the District of Columbia granted equal guardianship of children to the father and the mother. During the next three decades, however, most of the remaining states either followed a similar course of action or modified materially the arbitrary features of the old laws. Although some progress had been made before the middle of the century in altering the legislation governing the ownership of property by married women, it was not until after the late eighties that any widespread change was accomplished. Thereafter, however, the transformation proceeded with such rapidity that by the end of the century some thirty-four states extended to married women essentially the same property rights as to men, and a slightly larger number gave them complete authority over any wages obtained from their own labor. Since that time the movement has gone forward steadily, so that today their rights to own and control their property, to make contracts, to engage in business, and to retain their own earnings are well-nigh universal. In fact, in ordinary civil matters the principle of sex equality has gained recognition, although some inequalities still exist in a few states.

During the past fifty years the number of married women engaged in business or employed as wage-earners has grown to several hundred thousand, while throughout the country there has been a movement of women as a class into industry. The census of 1930 placed the number of those in "gainful" work at more than 10,000,000. Such positions as telephone operators, stenographers, clerks, bookkeepers, teachers, and nurses are almost entirely monopolized by women, and in secretarial work and in executive and administrative positions their numbers are rapidly increasing. The Federal civil service alone employed nearly 100,000 women, and the nurses numbered about 200,000. At the same time, in each of the professions of law, medicine, dentistry, and the ministry are found several thousand, many of whom have attained distinction of the highest order.<sup>1</sup>

<sup>1</sup> The percentage of married women engaged in "gainful" work has been steadily increasing until in 1930 it exceeded 25 per cent.



Despite their numbers and the importance of the positions which they hold, women are underpaid in most occupations, though the conditions under which they labor have been greatly improved during the past two decades. A number of states have minimum-wage laws for women, and the practice of regulating the conditions of labor as to light, ventilation, etc. is universal. In 1930 ten states limited the working day to eight hours, seventeen to nine, and sixteen to ten, leaving only five with no legislation on the subject.

Meanwhile, through wages, profits from business ventures, and inheritances, approximately 41 per cent of the individual wealth of the country has passed into the possession of women. According to an investigation made in 1930 they are beneficiaries of 80 per cent of the \$95,000,000,000 of life-insurance policies current in the United States. They pay taxes on more than \$3,250,000,000 of individual income annually, comprise the majority of stockholders in some of the largest corporations (such as the American Telephone and Telegraph Company, the United States Steel Corporation, and the Pennsylvania Railroad), comprise 35 or 40 per cent of the customers of investment and bonding houses, and receive 70 per cent of the estates left by men and 64 per cent of the estates left by women. Furthermore, American women have assumed an unquestioned rôle in determining not only the quality but the character of goods on the market. As they are the purchasers of at least seven tenths of all the manufactured commodities sold each year in the country, these are now largely produced to suit their demands and their fancies.

Simultaneously with the growing importance of women in industry and the professions there was also a movement for the affiliation of the women of the land in organizations, with the object of the general furtherance of their interests and the ultimate attainment of absolute equality with men in all the relations of life. During the late sixties and the early seventies many clubs and societies of different kinds were formed. In 1889 these were brought into one single organization, with the name of the General Federation of Women's Clubs, which unwittingly prepared the way for political action on a national

scale. By 1931 this organization had a membership of more than three million, making it the largest organization of women in the world. Through its eight departments — American citizenship, the American home, applied education, fine arts, international relations, legislation, press, and publicity, each of which coöperated with numerous organizations of women — it exerted a tremendous influence on American life in general and on the advancement of the woman's movement in particular.

### SOCIAL LEGISLATION

The industrialization of the country during the post-Civil-War period created many grave social problems associated particularly with the conditions under which the mass of the people lived and labored. Consequently with the passing of time the government was forced to give an increasing amount of attention to the solution of these problems. As a matter of fact, more social legislation was passed between 1890 and 1930 than in all previous American history. Naturally this assumed many different forms. As has been seen, with the concentration of population in the cities the question of health became of major importance. Everywhere state and municipal governments began by degrees to encroach on the time-honored rights of personal liberty. Since, because of the congested conditions, the filth and disease of one might injure many others who were helpless to protect themselves, it was necessary for the government to come to the rescue. The result was the enactment of much legislation regulating in detail such matters as lighting and ventilation and the number of individuals who might live in a given space; in short, everything that concerned the safety, health, and morals of the people as a whole.

Meanwhile conditions of labor in mines, mills, and factories came up for the closest scrutiny. In those trades where labor was thoroughly organized in unions, there was an increasing acceptance of the principle of trade agreements whereby the employers and the employees determined the conditions of labor by direct negotiation. Since this, however, concerned only a portion of the laborers, in time the government assumed the

obligation of regulating those things which involved the health and safety of the individual workmen. With the application of machinery to manufacturing the number of accidents to workers multiplied by the thousands. According to a report of the Interstate Commerce Commission in 1919, two thousand railroad employees were killed and more than one hundred and thirty thousand injured annually, and the total in other industrial occupations was correspondingly large. Under the English common law, which had previously applied in America, the responsibility for accidents was almost always placed on labor rather than on capital, on the ground that the workman knew the risk that he must run if he accepted a position, or else that the accident was caused by contributory negligence on his part or that of a fellow workman. Eventually, however, the point of view of society changed, and the fault came to be regarded as the inevitable risk of industry. Thus, beginning with Maryland in 1902, various American states, following the lead of European industrial nations, began to pass employers' liability acts or workmen's compensation laws, whereby employers were made responsible for injuries sustained by employees while at work. By 1920 forty-two states had legislation of this sort, as had also the United States for its civilian employees. Meanwhile practically every state in the Union had established insurance systems for this purpose, either optional or compulsory in character, and had made provision for the payment of pensions to destitute mothers.

Though much legislation was enacted limiting the hours of labor in hazardous undertakings, particularly those of women and children, that dealing with the employment of men in general has been continually obstructed by the clauses in the Fifth and Fourteenth Amendments to the Constitution, which forbid any legislation depriving the individual of "life, liberty, or property, without due process of law." The Supreme Court has based its attitude on the theory that the liberty of the workman to contract freely for his own working hours should not be infringed. Nevertheless the first three decades of the century saw a material shortening of hours of labor in practically every industry, attained for the most part through trade agreements

between labor and capital. Meanwhile the Federal government and most of the states have instituted eight-hour days for their own employees.

The greater progress in the regulation of the labor of women and children has been due to the Court's maintaining that the physical well-being of women and children is an "object of public interest and care in order to preserve the strength and vigor of the race." In short, it has sustained the placing of legislative limitations on the right of contract in order to further the public interest. Following the lead of Massachusetts, the states with but few exceptions have, by successive enactments, raised the age limit, shortened the hours of labor, restricted and in some instances forbidden night work, and closed dangerous trades to the employment of women and children.

Regardless of the fact that the passage and the execution of many laws relating to laboring conditions were hampered by adverse court decisions and by employers and were limited for many years to a few states and a few industries, substantial and continued progress has been made. In fact, the tendencies in social and economic legislation during the first three decades of the century as well as in actual achievements mark a revolution in both theory and practice in American legal procedure. The labor movement as such, together with those problems with which the Federal government has been primarily concerned, will be discussed in detail elsewhere.

Owing to the fact that this mass of social and economic legislation was in conflict with the old *laissez faire* conception of government, the courts at first were inclined to invalidate many laws on the ground that they were contrary to the property rights of the employer as guaranteed him by the Fourteenth Amendment or that wage-earners were being deprived of the right to labor under any condition that they chose. Consequently much dissatisfaction was voiced against the courts. Not only were they accused of being tools of the moneyed interests, but they were declared to be out of harmony with the period and ignorant of economic and social conditions in general. Numerous proposals were put forth for their reorganization, and in a few states the recall was instituted as a check on the con-

duct of individual judges. In time, however, with the removal of some of the more drastic features of the legislation and the unmistakable trend of public sentiment, the courts became more liberal in their attitude toward legislation of this type. Although the movement had been thus delayed, in reality it was placed eventually on a more sound and durable basis than would otherwise have been the case.

### RELIGIOUS READJUSTMENTS

The epoch-making social and economic changes in the life of the people during the past half-century caused the Christian Church to readjust itself to meet the new conditions. The rapid growth of cities, with the consequent social problems, the mobility of the population, and the coming of the automobile and good roads resulted in the abandonment of hundreds of churches in rural districts and small towns. Moreover, the great influx of immigrants changed the type of population in many places. These were some of the matters that taxed the skill of religious leaders to the limit. The difficulties were complicated further by the advent of Sunday newspapers, baseball, moving pictures, the radio, automobiling, and many other diversions which tended to detract from the time-honored observance of the Sabbath and orthodox religious services. With striking resourcefulness and virility the Church directed its attention to the question of the rôle it was to play in the new social order. The result was that in general the strictly orthodox theology and the narrow personal religion of the nineteenth century were liberalized in the direction of more practical interpretation, with a greater emphasis on the social teachings of Christ.

In the Protestant denominations, which primarily were concerned with these problems, this transformation was not attained without grave difficulties. In every individual church adherents to the old and the new teachings, under the names of conservatives or fundamentalists and higher critics or modernists, waged a bitter struggle for dominance. In time victory inclined toward the side of the modernists, at least throughout the North and the East.

The willingness of the Church to face squarely the problems of the new day is reflected in the increase in church membership. In 1890 this stood at approximately 21,699,000, and in 1930 it had advanced to nearly 60,000,000, a percentage of increase exceeding that of the population as a whole.

The most significant tendency among Protestant denominations has been the steady decline in sectarianism and the movement in the direction of interdenominational coördination of activities. An important phase of this work has been the establishment of unified nondenominational churches, particularly in the rural districts, where the sectarian rivalry of previous years had left a heritage of a superabundance of churches. Between 1900 and 1925 nearly a thousand organizations of this kind were formed. At the same time the leading denominations were consolidating their churches in the interests of economy and efficiency. An illustration of this may be found in the action of the Congregationalists and Presbyterians during the single decade following the close of the World War, when the former "dropped" 1046 organizations and the latter "dissolved" 1143 and "dismissed" 61, a total loss of 2250 churches in the two denominations. Of special interest is the fact that during this same ten years these two denominations added 470,384 names to their membership. The religious spirit found expression in such organizations as the Federal Council of the Churches of Christ in America, the Young Men's Christian Association, and the Young Women's Christian Association. Parallel with the latter have developed such organizations as the Knights of Columbus and the Young Men's Hebrew Association.

### THE GREAT EXPERIMENT

Closely associated with the work for social reforms and the increasing influence of women in American life was the fight against the manufacture and sale of intoxicating liquor as a beverage. This agitation was materially strengthened also by the steady trend toward the mechanization of the whole life of the nation, the systematizing of its industry, and the development of a new code of social ethics. Furthermore, the growing demo-

cratic humanitarianism of the past century increased the sense of public responsibility for the weak and unfortunate members of society. The habit of drink, however, was so deeply entrenched and the belief in personal liberty was so firmly grounded in American political institutions that the passage of legislation abolishing the practice necessarily required much time and encountered the most pronounced hostility. The use of some form of intoxicant dates back to the beginning of recorded history, and references to it are found in the earliest and all intermediate literature, including the Bible. In the United States, as elsewhere, liquor was universally used as a beverage. It was served at funerals, weddings, and the ordinations of ministers of the gospel, and was doled out to soldiers and workmen as part of their regular rations or compensation. Not only the use, indeed, but the abuse existed at all times and in all climes.

With the awakening of public conscience in the United States in the second quarter of the past century, however, a concerted temperance movement developed. This reached its climax during the forties and fifties, when thirteen states in the North and West took definite action for the abolition of the sale of alcoholic stimulants. The outbreak of the Civil War and the stirring days of the reconstruction which followed diverted attention to other questions, with the result that all these states except three — Maine, New Hampshire, and Vermont — repealed or modified their temperance legislation. Coincident with the waning of interest in the first period of the national prohibition movement was the arrival in the United States of the great German migration, which introduced on a large scale the use of beer along with that of whisky and wine. The capital investment in the liquor industry grew steadily until in 1910 it had reached a position of one of the half-dozen or so great businesses of the nation. This remarkable growth, coupled with the practice of the national, state, and local governments to tax the business and to regulate the traffic, drew the liquor manufacturer inevitably into politics to protect his interests. Legislative bodies were corrupted, and big rings were formed which extended to Congress and even the national cabinet. This eventually brought a revolution of feeling on the part of the better element of the public.

Toward the end of the century, moreover, there was added to the moral, hygienic, and political arguments against the use of intoxicants the feeling on the part of Southerners in general that liquor should be kept from the Negroes, since upon their sobriety the safety of the white population to a considerable extent depended. At the same time employers began to realize that drunken laborers were not only irregular but inefficient in their work. Furthermore, the introduction of expensive machinery in every field of industrial activity, the operation of which required a steady hand and a sober mind, caused an increasing number of business men to join those who were laboring in the cause of temperance. This trend was greatly accentuated after about 1910, when legislation dealing with employers' liability and workmen's compensation placed the cost of industrial accidents on the shoulders of the employers instead of on those of the injured workmen and the innocent members of their families, as formerly.

Thus public sentiment, prompted by a variety of motives, as has been seen, naturally caused an organized movement to develop for the complete eradication of the liquor traffic. Indeed, as early as 1869 the Prohibition party was formed with this ostensible object in view. Though it has never cast an electoral vote, its candidates have been in the field in every presidential campaign since 1872. Meanwhile the religious forces of the country were identifying themselves with the temperance movement; and in 1874 the women, under the leadership of Frances E. Willard, formed an organization of their own, the Woman's Christian Temperance Union, with branches in every state and territory of the Union. About the same time many local temperance societies, connected directly or indirectly with the different religious denominations, were formed, which in 1893 were brought together in the aggressive Anti-Saloon League.

Regardless of the fact that the great political parties avoided the prohibition question, partly because it was an uncertain issue (since the majority of the people were opposed as a matter of principle to any infringements on their "personal liberty") and partly because the liquor interests poured large contributions annually into their coffers, the reform made steady though



slow progress. By 1890 state-wide prohibition had been established in Kansas, Iowa, and North and South Dakota, and in many other states hundreds of counties and cities had become "dry" by popular elections in local communities. Saloons elsewhere were compelled to pay high licenses and to submit to many other restrictions.

Because of the difficulty of enforcing prohibition within a state as long as the Federal government possessed authority over interstate shipments, attention was next directed toward Federal regulation and the adoption of a prohibitive amendment to the national Constitution. Consequently in 1912 Congress in the Webb-Kenyon Act gave the states authority to regulate the shipment of liquor into their respective boundaries, and two years later a prohibitive amendment received a majority vote in the House of Representatives. At that juncture the World War added great strength to the movement. Inasmuch as it was inconsistent to urge the people to restrict their food consumption and to increase the production when more than seven billion pounds of food materials were being utilized in the manufacture of intoxicants, the use of grain for the distillation of beverages was forbidden in November, 1917, and the President was given wide discretionary powers in the control of wines and beer. At the same time the sale of liquors to men in uniform was forbidden. The following month the proposed Eighteenth Amendment passed Congress and was sent to the states for ratification. Meanwhile exactly half the states had adopted prohibition by state action.<sup>1</sup> The Federal amendment, therefore, was sanctioned by state after state in such rapid succession that by February 25, 1919, forty-five legislatures had registered their approval, to be followed later by New Jersey. Rhode Island and Connecticut alone of all the states withheld their assent. Fourteen state senates and eight assemblies ratified the measure unanimously, and thirty-four senates and twenty-one assemblies registered an adverse vote of less than 10 per cent.

<sup>1</sup> In addition local option, when state prohibition was impossible, had dried up the major part of rural America. At the time of the passage of the amendment over two thirds of the people of the United States already lived under local or state prohibitory laws, and the other third had submitted to drastic regulation

This amendment, which became effective one year after its ratification, while prohibiting the manufacture, transportation, and sale of intoxicating beverages, did not provide the machinery for its enforcement. Consequently, late in 1919 Congress enacted the Volstead Act over the veto of President Wilson, which defined as intoxicating all beverages containing  $1\frac{1}{2}$  per cent of alcohol and which prescribed penalties for the violation of the amendment. In June, 1920, the constitutionality of this measure was upheld by the Supreme Court. Since the passage of this act a number of supplementary measures providing more drastic penalties for violations have been enacted, the most important of which were the Jones Act of 1929 and a bill passed in 1930 transferring enforcement from the Department of the Treasury to that of the Attorney-General.

The enforcement of the Eighteenth Amendment has proved an exceedingly difficult task. Regardless of the fact that nearly fifty-seven thousand arrests were made during 1930 and fines of \$6,922,000 were imposed, together with 27,709 sentences of imprisonment, the value of the illicit traffic runs into millions of dollars. The extended frontiers, the ease with which home brews may be made, and the exorbitant prices which liquor brings have brought thousands of men into the bootlegging and rum-running business. These practices, however, are not new, as is often intimated. Not only do they antedate the passage of the Volstead Act, but they were practiced extensively in the dry states as well as in those in which high licenses were imposed. To what extent present legislation is responsible for the crime wave which has swept over the country it is difficult to say, although it is probable that it has had some influence. At the same time many of the evils of the old open saloon have been eradicated, and drinking among the laboring classes and those who can least afford it has undoubtedly been lessened. The evils of the bootlegging practices and the character of drinking, particularly among young boys and girls, which are an outgrowth to a certain extent of national prohibition, are more pronounced in some parts of the country than in others.

From an economic point of view as from a moral one, prohibition is a great experiment in changing the direction of the

spending of money. Numerous studies indicate that much of the annual income which formerly went for the purchase of liquor is spent now for automobiles, for gasoline, for the movies, for travel, and for the maintenance of a higher standard of living.

In spite of the fact that twelve years have passed since the establishment of national prohibition, the question of the efficacy of the legislation is still debatable. In fact, it is possibly more widely discussed today than ever before. Neither Congress nor the country as a whole, however, appears inclined to favor any drastic alteration in the legislation, although a number of states have repealed their own prohibition-enforcement laws and Alfred E. Smith, the Democratic candidate for president in 1928, came out actively against both the Eighteenth Amendment and the Volstead enforcement measure, proposing, at the same time, the return to the old system of individual state regulation. Throughout the country wet and dry organizations continue their militant campaigns very much as in the pre-Volsteadian days. Indeed, those who differ on the question disagree violently and assume uncompromising attitudes.

### THE DISTRIBUTION OF WEALTH

The industrial and social development after 1890 brought about a veritable revolution in the production and distribution of wealth and in the character of labor; in short, in the manner of life of all classes. Though the estimates of the national wealth vary considerably, the figure generally agreed upon for 1930 was a total of more than \$400,000,000,000, a sum exceeding the combined wealth of Great Britain, France, Germany, Italy, and Japan. From 1914 to 1930 America wiped out her debt of \$4,500,000,000 to foreign creditors and made loans and investments of more than \$16,000,000,000 to foreign governments and their citizens. The per capita wealth of the country of approximately \$3400, as compared with \$2800 for Great Britain, \$1500 for France, \$1000 for Germany, and \$800 each for Italy and Japan is not evenly distributed, for 90 per cent of it is owned by 13 per cent of the population. The



national income, however, is not so closely concentrated in the hands of a few, since three fourths of it is credited to persons with incomes of less than \$10,000 and only 4 per cent to those with incomes of more than \$100,000.

Of special significance in the light of the general consolidation of business establishments of every sort and the decline of the prosperous middle class is the diffusion of the ownership of stock in corporations. The extent of this is indicated by the fact that between 1900 and 1930 the individual stockholders increased from 4,500,000 to more than 15,000,000. Of the total amount of stock nearly 8 per cent is owned by employees of the individual business concerns. A striking evidence of the general prosperity of the nation lies in the rapid increase of savings in bank accounts, building and loan associations, and insurance policies. In 1929, according to the American Bankers Association, the savings accounts alone exceeded 43,000,000, and their sum was \$28,217,658,000. The same year the number of industrial-insurance policies passed the 89,000,000 mark and those of ordinary life insurance 31,300,000, and the building and loan policies stood at 12,111,000. At that time more than 11,000,000 families owned their own homes.

Among the many innovations in the economic structure of the period that affected the life of the average American were the system of installment purchases, the tendency in American retail trade toward chain stores, and the gradual drift toward standardization in all the important industries. Not only did these characteristics enable business establishments to give uniform service and to buy in quantity, but they materially reduced the overhead expense. The chain stores in particular, which in 1930 numbered more than 1000 systems, made a strong appeal to the public, especially those dealing in foods and drugs and the five-and-ten-cent stores. One of these grocery systems alone increased its branches from 2200 in 1914 to 17,500 in 1928, when its annual business amounted to \$750,000,000. Indeed, though only 70,000 of the 430,000 grocery stores have affiliated with the chain systems, the latter do more than half as much business as the remaining 360,000 independents combined. One drug company, supplying 10,000 druggists, sells the American

people practically one fourth of its drugs. One chain of five-and-ten-cent stores through its 1800 branches sells annually \$72,000,000 worth of "notions." Although these establishments have many advantages, the growth of the system has been accompanied by the failure of thousands of merchants in the small towns throughout the country.

### THE STANDARD OF LIVING

The increase in the wealth of the nation brought about a general elevation of the standard of living for all classes. Those who possessed great fortunes were less inclined than previously to ostentatious display and were more conscious of their responsibility to society. In contrast to the practice in the eighties and nineties, a considerable percentage of the wealthy lived in fashionable apartment hotels in the cities, maintaining at the same time winter quarters in Florida or Southern California and summer quarters along the coast of New England. Although the urban middle class shared to a less extent than the upper class in the enormous profits that accrued from the industrial order of the period, their lot had steadily improved. In large numbers they also joined in the migration from individual houses to apartment houses, hundreds of which were constructed in all the large cities after 1900. There were those, however, who, not wishing to conform to the standardized apartment house with its cramped living accommodations, began a movement into suburban areas, which through the improved means of transportation were easily accessible from the business centers of the cities. At the same time the conditions of life among the laboring masses of the urban centers were materially improved. Not only were the tenement houses, in which the bulk of them lived, constructed with many conveniences and comforts unknown to the period before 1890, but conditions of health and sanitation were carefully regulated by the municipalities. Furthermore, they began to eat better food, to wear better clothes, and to enjoy a far greater amount of recreation and outdoor life than previously. Especially revolutionary, however, were the changes in the life of the American farmers, who

because of the advantages of good roads, automobiles, telephones, radios, and hundreds of other conveniences were brought to a standard of life not essentially different from that of urban dwellers.

A potent factor in the elevation of the average American's living conditions regardless of his place of residence has been his steadily increasing interest in travel. This has been due in no small degree to the improvement in the economic conditions of the masses as well as the extension of means of transportation and particularly the evolution of automobiles, of which some twenty-six million were in operation in the United States in 1930. To overestimate the influence of the automobile on American social and economic life would be difficult indeed. Not only has it wrought a revolution in road construction in the brief space of a third of a century, but it has so shortened the time of travel between distant points that week-end and vacation journeys are within the reach of almost everyone. Furthermore, it has broadened the intellectual horizon of the farmer by bringing him into intimate contact with city people and city life, and at the same time it has enabled the inhabitants of the city to seek the fresh air and quiet of the country. Throughout the United States sectional lines are rapidly fading, and with them are disappearing the prejudices and the general lack of understanding that have been the source of much friction. Advances in air transportation bring the various parts of the world into closer touch than ever before, and the probability of further advance is unquestioned.

With increase of travel within the United States there has gone an increase in travel to distant lands. The number of American tourists to Europe alone jumped from 50,000 in 1880 to 100,000 in 1900, to 282,000 in 1914, and to approximately 500,000 in 1930. In that single year these tourists, including the hundreds of thousands who visited Canada and Mexico, spent more than \$1,000,000,000 in foreign countries, a fact of prime importance in the economy not only of the United States but of the nations visited as well.

Within recent years other factors have contributed to broadening the outlook of the people of the country. Among these the

illustrated newspapers and magazines and the moving pictures are noteworthy as exerting tremendous educational influences. Possibly the most astonishing stimulus to thought and imagination, however, has been provided by the 13,476,000 radio sets (1930) established in American homes, which bring the whole world to the remotest frontiers.

### RECREATION FOR THE MASSES

One of the significant tendencies in recent times has been the growth of interest on the part of all the people in recreation and sports. According to a noted economist approximately a quarter of the national income is expended for play. The outlay for sporting goods alone exceeds \$200,000,000 a year. Though many factors are involved in this transformation in customs, especially important have been the growth of wealth and the creation of a leisure class, the shortening of the hours of labor of the middle classes, and the desire on the part of the inhabitants of the cities to capture something of the benefits of outdoor life of which they have been almost completely deprived by the character of their environment.

The development of the automobile, the moving picture, the phonograph, and the radio during the past four decades has furnished the pleasure-loving American with an agreeable means of whiling away his leisure hours. Meanwhile greater general prosperity has brought these luxuries within the reach of practically every individual. Even more noteworthy has been the interest manifested in sports. This does not necessarily imply personal participation. In fact, it is often manifested in merely witnessing professional boxing, wrestling, baseball, and horse-racing. At the same time the desire on the part of an increasing percentage of both men and women of all ages to engage personally in some form of recreational athletics has become more pronounced, especially since the turn of the century.

Naturally this tendency first manifested itself in the rapidly growing cities. Not until after 1890, however, did the great municipalities evince much interest in providing public recreational facilities or recognize any relation between them and the



well-being of the inhabitants, but before the end of the first decade of the twentieth century a revolution had taken place in public opinion on this subject. Everywhere playgrounds were being provided for school children of all ages, and supervised gymnastic exercises were required of pupils in an increasing number of schools. Furthermore, public parks of generous dimensions were established in the cities, which afforded rich and poor alike ample opportunities for recreation and sports, eventually including among other features tennis, golf, swimming, and boating. The fact that millions of people regularly availed themselves of these facilities justified the enormous expenditure of public funds required for their maintenance.

Coincident with these developments in the urban centers were the creation by the state and Federal governments of extensive parks in order to preserve places of unusual scenic beauty and historic interest, and the aiding of sportsmanship by stocking the streams with fish and by protecting game through regulative measures restricting not only the fishing and hunting season but the size of the catch and the kill as well.

In the list of nonprofessional competitive sports in which great numbers of people participated, none attracted so many enthusiastic followers of all ages and of both sexes as golf. Although the number of country clubs with golf links grew steadily after the introduction of the game in the United States in the eighteen-seventies, it was not until after 1900 that golf became a sport for all classes of people. So rapidly, however, did it advance after the turn of the century that by 1914 it could boast of more adult participants than any other outdoor sport, and it was then only on the threshold of its development. Its importance in the life of the nation may be judged from the fact that in 1930 on the thousands of courses, representing a total investment of more than \$2,000,000,000, a hundred thousand laborers were employed, exclusive of the thirty-five hundred professional instructors and the five hundred thousand caddies, and several million men and women enjoyed regular outdoor recreation and competitive sport. Tennis also was attracting a greater and greater number of devotees, and dancing became exceedingly popular.

During this period the growth of interest in professional boxing, wrestling, baseball, and football was striking. Baseball drew enormous crowds during the summer months; but its popularity was not so remarkable as that of boxing, especially after the World War. Indeed, in a single prize fight in 1927, the Dempsey-Tunney second championship fight, the gate receipts reached \$2,650,000. At the same time college football had been growing into a major business, as well as a sport of national interest, with stadiums of steel and concrete seating, in the large universities, more than seventy thousand people and with total annual gate receipts of \$50,000,000 and more.

On the whole, the growing emphasis on recreation and sports by the masses of the people has made positive contribution to American life in many ways, especially in increased health and happiness. The true enjoyment of leisure, however, is a pastime of which the average American is yet to become a master, for as a rule he participates in his games with the same vigorous and restless concentration that he expends on his business activities.

A dominant characteristic of the people of the United States, particularly in the period since 1890, has been the propensity for joining clubs of all sorts. Indeed, social life has become more highly developed than at any time in the previous history of the country. In 1914 the membership in the various fraternal organizations exceeded 15,000,000, and the civic and service clubs, such as Rotary, Kiwanis, and Lions, were meeting with wide favor. In 1930 Rotary and Kiwanis each boasted of over 100,000 members, and the Lions had passed the 50,000 mark. These are only a few examples of the tendency of the age.

### THE BROADENING OF AMERICAN CULTURE

The acquisition of independent means by a large number of people was accompanied by an increased interest in the fine arts and cultural attainments in general. For the first time in the history of the country substantial groups of men and women had not only time for the study and enjoyment of art but funds with which to make extensive purchases. The rich ransacked

galleries, palaces, private collections, and auction rooms of the Old World, where they purchased objects of art at fabulous prices and brought them to America. In time collections were assembled in all the leading cities, and through the generosity of the owners many of them were either donated to the public or thrown open for their enjoyment. In 1897 J. P. Morgan made the first of his lavish gifts to the Metropolitan Museum, and in 1924 he set apart for the benefit of the community his remarkable collection of books, manuscripts, paintings, and tapestries together with the building in which they were housed. About the same time the steel magnate H. C. Frick gave to the public in New York his extensive treasury of paintings, and W. A. Clark, the copper king, made a similar contribution to the Corcoran Gallery in Washington. In 1926 the entire fortune of Frank Munsey passed to the Metropolitan Museum. Chicago, Boston, Philadelphia, Cleveland, San Francisco, and other cities of the country had their devotees of art, whose benefactions made possible museums to house the extensive collections that were being made.

The fact that in the public schools and in the numerous art institutions that were springing up throughout the country drawing and painting were widely taught tended to develop appreciation in the people as a whole. The result was a growing demand for art of all kinds, which in turn brought into existence artists to supply it, though there was not a distinctive American school of painting. The extent of the movement is evident in the fact that in 1925 more than twenty thousand men and women were making a living of some kind by brush, pencil, or chisel in New York City alone. In Chicago and cities in New England, the Rocky Mountain region, the Pacific coast, and elsewhere were colonies of American artists, whose work not only was creditable on the whole but in some instances showed distinctive merit. Among the artists of note were Winslow Homer, the marine painter; Robert Henri, William J. Glackens, George B. Luks, George W. Bellows, and John Sloan, exponents of realism; Theodore Robinson, Childe Hassam, and J. Alden Weir, the last of whom reached the climax of his career in portraiture. William M. Chase was perhaps the outstanding teacher

during the period. Recent names in sculpture are Paul Wayland Bartlett, Frederick William MacMonnies, Herbert Adams, and Lorado Taft. The illustrative arts were enriched by an able group including A. B. Frost, Joseph Pennell, E. W. Kemble, Howard Pyle, and, later, Maxfield Parrish and James Montgomery Flagg. Mural painting received considerable impetus after 1898 in the decoration of many new public buildings. The Boston Public Library contains outstanding mural works of Sargent and Abbey; and the Appellate Court of New York, the Library of Congress, and the state capitols of Minnesota, Wisconsin, and Pennsylvania were decorated by Henry Oliver Walker, Edward Simmons, Edwin H. Blashfield, John W. Alexander, Edwin A. Abbey, Violet Oakley, and others.

The distinctive contribution of the United States to architecture has been the designing of the giant structures of steel and concrete necessitated by the congestion of modern cities and the combining of practicableness and beauty in private houses, especially small ones.

The growth of interest in music, characteristic of the period immediately following the Civil War, appeared to gain momentum during the four decades after 1890. Not only is the subject taught in most of the public schools of the country, but excellent conservatories of music are to be found in many of the colleges and universities as well as on independent foundations. Of great significance in arousing popular interest in music has been the perfection of the player-piano, the phonograph, and the radio, by means of which the best musical talent of the age has been placed within the reach of every individual. Especially noteworthy have been the increase in the number of symphony orchestras and the technical excellence achieved by the best of them. In many ways the early years of the twentieth century represented the golden age of opera in America. Among the recent innovations in the development of music in the United States have been the revival of interest in Negro and Indian folk songs and the appearance of a distinctively American contribution, "jazz." Although relentlessly assailed at first in the conservative music circles, jazz music has swept over the country and has won a rather wide acceptance in foreign lands.

One of the chief factors in the advancement of culture in the twentieth century was a remarkable expansion and diversification in the field of letters. In the revolt of the eighteen-nineties the novels, in contrast with those of earlier years, became critical or satirical or pessimistic, the result partly of the influence of such Europeans as Zola, Hardy, and Tolstoi, and partly of the loss of opportunity and optimistic spirit consequent to the passing of the frontier. In this realistic group of writers are Crane, Norris, Garland, and Bierce. Later Jack London and Upton Sinclair used the novel to spread social propaganda. Booth Tarkington, to be sure, usually presents a pleasant picture; but Edith Wharton is satirical in her portrayals of high society. Theodore Dreiser and Sherwood Anderson are noted for their studies in the psychology of sex. Sinclair Lewis, Nobel prize winner in 1930, attacks the complacency of small-town life with "too strong a satiric vein to give an entirely truthful picture — yet there are in his novels many vividly reported passages that accurately depict our usages."

Entirely different is the historical romance, which enjoyed a brief craze, when Winston Churchill and Mary Johnston were in vogue, but which produced no outstanding writers. Occasional novels by J. B. Cabell and Joseph Hergesheimer have continued a "thin romantic strain." The short story with the surprise ending was popularized by O. Henry, whose imitators filled the magazines for years after his death in 1910.

At length the revolutionary trend against convention produced the "new poetry," which was "not without romantic elements, but distinguished in the main by its subtle sense of observation, its rational and satiric outlook on life, and its eager experiment to find instruments of expression in keeping with the new vision." It frequently took the form of free verse, and it pictured all phases of modern life. The chief exponents of this movement were Vachel Lindsay, Carl Sandburg, Edgar Lee Masters, Amy Lowell, and the more conservative Robert Frost and E. A. Robinson.

The drama, as well as other forms of literature, gave "heed to the scientific contribution known as the 'new psychology.'" It showed remarkable improvement after 1920, the year of the

first long play by Eugene O'Neill, who three times won the prize for the best American play of the year. He is generally considered America's foremost dramatist (living or dead). Among the lesser playwrights may be mentioned George Kelly, Sidney Howard, Marc Connelly, George S. Kaufman, and Maxwell Anderson. Professor George P. Baker (formerly of Harvard) is known as the "inspiring leader in the movement for a better appreciation among educated men of the art of the practical theatre." Another sign of the times has been the development in recent years of a growing interest in the "little theater," in drama leagues, and in pageants.

One of the most interesting phases of modern literature has been the vogue for biographies and outlines. Recent biographers, influenced by Lytton Strachey in England and Gamaliel Bradford in the United States, have tended to be critical and satirical instead of laudatory. The great success of H. G. Wells's *Outline of History* stimulated a flood of attempts in America to popularize knowledge of all kinds in a similar way.

On the whole, the literature of the past decade has been characterized chiefly by experiments in the form of novels, plays, and poetry. In 1930 there came a clash between the experimenters, who followed in the wake of the vigorous H. L. Mencken, and the "New Humanists," who defended classical standards and the inner check, outstanding among whom were Paul Elmer More and Irving Babbitt. Fred L. Pattee presents the thesis "that the thirty or forty years since the 1890 decade constitute a distinct and well-rounded period in American literary history, that literature during this single generation of marvelous change departed so widely from all that had gone before that it stands alone and unique, that the soul of it and the driving power of it were born in the new areas beyond the Alleghenies, and that during its thirty or forty years was produced the greater bulk of those writings that we may call distinctively our own, work peculiarly to be called *American literature*."

The extent of the literary output as well as the range of subject matter may be gleaned from the fact that 227,495,000 volumes were published in the United States in 1927. Of these 83,849,000 were school and college textbooks, 36,553,000 fiction,

31,047,000 juvenile subjects, 22,220,000 religion and philosophy, 6,281,000 poetry and drama, 2,392,000 science and technology, 3,075,000 biography, 2,493,000 law, 1,462,000 history, 1,168,000 medicine, 1,190,000 travel, 943,952 fine arts, 875,000 sociology and economics, 282,000 agriculture, and 33,000,000 miscellaneous subjects.

The influence of these millions of books in shaping public opinion and in serving as an intellectual stimulus to the masses of the people has been very great. Indeed, for many years it has been increasing steadily both because an ever greater number of people tend to make direct purchases and because the system of public libraries has been extended. Although many libraries existed before the Civil War, the public library supported by taxation and open to all citizens free of charge has come almost entirely since 1865. Practically every state in the Union now permits towns and other local governmental units to levy taxes for the maintenance of public libraries. At the same time hundreds of libraries have been founded and are regularly supported by private bequests. The most conspicuous example of these are the libraries established between 1881 and 1915 by the steel magnate Andrew Carnegie at a total cost of \$62,500,000. Today there are nearly 6000 public libraries with more than 3000 books each and a total collection of about 150,000,000 volumes. The Library of Congress, founded in 1800, contains the third largest collection of books, pamphlets, and manuscripts in the world, and a number of university libraries have collections in excess of 1,000,000 volumes.

With the increased interest in books went a corresponding development of the newspapers and magazines of the country. As a result of revolutionary inventions in printing, engraving, and typesetting, the expenditure of a large amount of capital has become necessary to purchase the modern mechanical machinery, secure the requisite literary and artistic talent, and provide the world-wide news service which the age demands. Nevertheless the growth of big business and the enormous increase in commercial advertising have made it possible to reduce the price of newspapers to a point where they are within the reach of practically every inhabitant of the country. As a mat-

ter of fact, the great city dailies, with but few exceptions, have become enormous business concerns with tremendous outlays of money; but it must be admitted that through their dependence on funds secured from advertising they are often too easily responsive to the wishes of big business.

The press has shown the same tendency as other businesses of recent years toward consolidation, since not only in the collection of news items and the distribution of newspapers but in every phase of the work greater economies are effected by the large than by the small establishments. This general movement has expressed itself both in the consolidation of newspapers within each city and in the formation of syndicates controlling newspapers throughout this and other lands. Great progress has been made also in the gathering of information, particularly since 1900, the year in which the Associated Press, the first large organization of the kind, was founded with branches throughout the United States and the leading countries of the world. Now hundreds of its representatives collect news items and deliver them, after they have been scrutinized carefully by well-trained experts, to the newspapers affiliated with their organization for that purpose. Approximately half the news printed in American newspapers today is provided by this single agency, which is the largest of several similar organizations. Other factors that have altered the character of newspapers within recent years have been the expansion of the Sunday paper into a veritable magazine, the development of the humorous article, beginning with George Ade and F. P. Dunne (Mr. Dooley), the woman's page, and the use of illustrations, especially the comic strips.

Notable advances have been made in the fields of medicine and surgery, resulting in the practical elimination of several diseases and a prolongation of the average span of life. Germs causing most of the common diseases have been isolated and agencies for their destruction or control perfected. The conquest of malaria, for decades the scourge of the Mississippi Valley, and of yellow fever, the deadly epidemic of Central and South America as well as the southern part of the United States, are excellent illustrations of this. In both instances the discovery was made that they were carried from individual to individ-



ual by means of the bite of certain mosquitoes. Then it was evident that the control of the disease might be effected by the destruction of the mosquito and the protection of human beings from infection through its bite. The application of scientific methods to other diseases in the campaign to obtain immunity to them resulted in the stamping out of the sources of disease and the making of people insusceptible to particular maladies through inoculations. Health departments were created as an important part of governmental organization, and laws and ordinances were enacted providing for the inspection of foods, the regulation of the disposal of sewage and refuse, and, in short, the control of all conditions of living that not only might injure the health of any individual himself but might cause disease to be carried from him to others.

Although the rapid advance in applied science continued uninterrupted along the channels followed before 1890 in pure science, American work in general took the form of painstaking research in physics, chemistry, biology, geology, and astronomy. For instance, biology busied itself with the improvement of the breeds of plants and animals, war on disease, eugenics, theories of race, and the relation of organic functions to mind and therefore to conduct. Several American scientists — A. A. Michelson, R. A. Millikan, and Arthur Compton in physics, T. W. Richards in chemistry, and Alexis Carrel and Karl Landsteiner in medicine — have been awarded Nobel prizes, while a host of others have won international recognition of one kind or another. Despite this fact and the progress of pure and applied science in America, the United States has lagged in certain respects behind the leading European countries.

Educational development since 1890 has shown essentially the same tendencies displayed before that time (pp. 267 ff.). In no phase of education, however, has progress been more marked than in the rural communities, where the consolidated schools, alterations in the courses of study, and the improvement of teachers have raised the standards greatly. Furthermore, centralization of the public-school system within many states and close cooperation among states have accomplished much in the direction of standardization. Compulsory education within cer-

tain age limits has become universal, with the result that illiteracy has steadily declined. Of equal significance has been the extension of the tax-supported high schools, the enrollment of which has shown a remarkable increase. In 1928 there were 25,212,000 pupils registered in the public schools of the United States, and the cost of maintaining these schools exceeded \$2,000,000,000. Meanwhile the colleges and universities were showing an equally remarkable growth. In 1928 the investment in their plants was approximately \$1,000,000,000 and their total enrollment more than 900,000. While the conventional liberal-arts colleges continued to draw thousands of students, the technical schools showed a greater percentage of increase. A characteristic of the educational tendencies of the period was the development of extension courses, extension lectures, and correspondence work, by means of which an attempt was made to carry the educational system to all who wished it regardless of age or place of residence.

All these factors have tended not only to raise the standards of working and living but also to elevate the ideals of citizenship among all classes of people in the country.



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## XIX THE UNITED STATES AND WORLD POLITICS, 1898-1909

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 TUMULTY, J. P. Woodrow Wilson as I Knew Him.  
 WILLIAMS, B. M. Economic Foreign Policy of the United States

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## XXXII. THE ADMINISTRATIONS OF COOLIDGE AND HOOVER

See bibliography for Chapter XXXI.

# HISTORY OF THE UNITED STATES

## XXIII. SOCIAL AND CULTURAL TENDENCIES, 1890-1931

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SWFET, W. W. The Story of Religions in America.  
TAFT, L. History of American Sculpture.  
THOMPSON, J. V. Urbanization: its Effect on Government and Society.

# INDEX

- "ABC" powers, 558
- Agriculture, condition of, in South, 1865-1875, 6, 7, 12, 13 f., 15; cattle industry, 115 ff; sheep industry, 118 f, advance of, in West, 1860-1890, 123 ff; agrarian discontent, 137 ff; Patrons of Husbandry, 138 f.; exportation of products of, 170 n.; condition of, in 1890, 262, 285 ff.; living conditions on farms, 1890, 264, 266; Farmers' Alliance, 288 ff; the People's Party, 297 ff., prosperity of, 381, 382 f.; Smith-Lever Act, 535, Federal Board of Vocational Education, 535; value of products of, 1920, 537 n; Nonpartisan League, 1915, 538, Federal Farm Loan Act, 1916, 538 f; Agricultural Credits Act, 1923, 539; Federal Aid to Good Roads Bill, 1916, 539, Fordney-McCumber tariff, 1922, 717; distress of, after World War, 724 ff., legislation to improve conditions of, 726 f; McNary-Haugen Bill, 741 ff; Jardine-Coolidge program of relief, 742; Federal farm legislation, 1929, 742 f.; Hawley-Smoot tariff, 1930, 741 f
- Agunaklo, Emilio, in campaign against Manila, 1898, 375; insurrection against the United States, 1890-1903, 402
- Alabama, Negro members in convention of 1808, 62; readmitted to Union, 64, carpetbag, scalawag, and Negro rule in, 71; restoration of white supremacy in, 70
- Alabama claims, Johnson-Clarendon Convention on, 84 ff., adjustment of, 1871, 87 ff.
- Alaska, purchase of, 1867, 82 f; boundary controversy of 1903, 435 ff., construction of railroads in, 1914, 535
- Alaskan-boundary controversy, 1903, 435 ff.
- Aldrich, N. W., chairman of National Monetary Commission, 1908, 485, conservative leader in Senate, 492, 494 ff., retirement from politics, 500
- Aldrich-Vreeland Currency Act, 1908, 485, 529
- Alger, R. A., Secretary of War, 1898, 362
- Allison, W. B., Senator, 331, 344
- Altgeld, J. P., governor of Illinois, 320
- Amendments to the Constitution Thirteenth, 20, 21, 30; Fourteenth, 30 f, 44 f, 64, 77 ff., 238 f; Fifteenth, 64, 70, 77 ff., 238 ff.; Sixteenth, 528, Seventeenth, 507; Eighteenth, 766; Nineteenth, 729
- American Expeditionary Force (A. E. F.), General Pershing's mission to Europe, 637 ff.; American preparations overseas, 640 ff; unified Allied command, 651 ff.; Cantigny, 654, Château-Thierry, 654 ff.; reduction of the St. Mihiel salient, 658 f.; Meuse-Argonne battle, 659 ff.; armistice, 665 f; casualties of, 666 f; detachments of, on the Rhine, 668; demobilization of, 668, 710
- American Federation of Labor, 218 f., 221, 614, 713, 734
- Amnesty, Lincoln's proclamation of, 17 f; Johnson's proclamation of, 24; Congressional Act of 1872, 77, 103
- Anthracite coal strike, 1902, 455 ff.
- Arbitration international, Hague conference, 444 ff., treaties of, 445 f., 567, 696 ff, 703
- Arizona, territory of, 1863, 107; statehood, 1912, 484
- Arkansas, Lincoln's plan of reconstruction in, 18, 24, readmitted to the Union, 1868, 64, white supremacy restored in, 1874, 70
- Armistice, November 11, 1918, 665 f
- Art, development of, in United States, 274 ff, 776 ff
- Arthur, Chester A., collector of customs, New York, 157, vice president, 172 f. president, 180, character sketch of, 180-182, in presidential campaign of 1884, 196 ff
- Austria Hungary, entrance into World War, 508 ff., propaganda of, in United States, 592 f., United States declares war against, 611, campaign of, against Italy, 1917, 640, collapse of, 1918, 661 ff., reestablishment of peace with United States, 688
- Baker, Newton D., Secretary of War, 1916, 581; on character of the war, 615; plan for army, 631 ff
- Balfour, A. J., mission to Washington, 1917, 613; at Peace Conference, 1919, 673
- Ballinger-Pinchot controversy, 1909, 498
- Baruch, B. M., war work of, 617
- Battle-flag order, 1887, 211
- Bayard, T. A., Secretary of State, 1885, 204
- Belgium, entrance into World War, 568, 571; at Washington Disarmament Conference, 701 f
- Belknap scandal, 141 n.
- Belleau Wood, capture of, 655

- Bernstorff, Johann von, ambassador to United States, 590; on munitions shipments, 590; propaganda in the United States, 592; public warning against taking passage on *Lusitania*, 597 f.; note to United States on renewal of submarine warfare, 608; dismissal of, 609
- Beveridge, A. J., progressive Republican, 490, 510
- "Black Friday," 95 f.
- "Black Laws," passage of, 30 ff.; modification of, 48, 56
- Blaine, James G., candidate for Republican nomination, 1876, 143 f.; 1880, 172; 1884, 197 ff.; 1892, 207; hatred of Hayes, 155 f.; Secretary of State, 1881, 175; 1880, 230; feud with Conkling, 176 ff.; Latin-American policy of, 182 f., 187 f., 237, 254 ff.; fur-seal controversy, 256 ff.; strained relations with Harrison, 296
- Blanco, Captain-General of Cuba, 355, 372
- Bland, R. P., free-silver advocate, 108, 310, 336
- Bland-Allison Silver Act, 1878, 168 f., 241
- Bolsheviks, Russian, accession to power, 647, negotiation of treaty of Brest-Litovsk, 647, 665; propaganda of, in Europe, 669, 674; in United States, 723 f.
- Bonus, campaign for "payment to World War veterans, 710 f.; Adjusted Compensation Act, 1924, 711
- Borah, W. E., opposition to Treaty of Versailles, 670; resolutions on Washington Disarmament Conference, 1921, 702, insurgent Republican, 1924, 735
- Boulder Dam project, 478, 719
- Bourgeois, Léon, League of Nations advocate, 675
- Boutwell, G. F., congressman, 1866, 38; Secretary of the Treasury, 1869, 69, 95
- Brest-Litovsk, treaty of, 647
- Bryan, W. J., on repeal of Sherman Silver Act, 310; defeated for Congress, 1894, 317, opposition to Cleveland, 327, Democratic candidate for president, 1896, 328 ff., 335 ff.; 1900, 387; 1908, 487 ff.; character sketch of, 336-339; on ratification of treaty of Paris, 370; on foreign policy of the United States, 1900, 387, on trusts and monopolies, 452, Democratic national convention, 1912, 514 ff.; Secretary of State, 1913, 524, arbitration treaties of, 567; on relations with Haiti, 548 ff.; on military preparedness, 577; note on munitions shipments, 591; attempt at mediation, 596; resignation from cabinet, 1916, 599; protest against arming of merchantmen, 609; compromise attitude toward Senate ratification of Treaty of Versailles, 681
- Budget and Accounting Act, 1921, 718
- Burchard, S. D., 199
- Burke Act, 1906, 114, 283
- Burlingame treaty of 1868, 80 f., 190
- Butler, B. F., radical in Congress, 1866, 38, spoilsman, 135, 155; Greenback-party candidate for president, 1884, 198
- Cameron, Simon, Stalwart leader, 155
- Campos, Martínez, Governor-General of Cuba, 351
- Canadian reciprocity, 503 ff.
- Canal Zone, Hay-Herran convention, 414; Hay-Bunau-Varilla convention, 416 f.
- Cannon, J. G., Speaker of the House, 480, 492, 493, 495; fight with insurgent Republicans over House rules, 499 ff.
- Cantigny, capture of, 654
- Carey Act, 1894, 476
- Caribbean policy of the United States, 500 ff.
- Carlisle, J. G., 215, 227; Secretary of the Treasury, 303, 306, 307, 313
- Carnegie, Andrew, United States Steel Corporation, 460; gifts for public libraries, 780
- Carpetbaggers, 28, 61, 70 ff., 153
- Cecil, Lord Robert, League of Nations advocate, 675
- Census, statistics of, 1860-1880, 105 f., 1800, 260 ff., 281 f., 284, 1900, 382 n.; 1890-1930, 748 ff.
- Central America, relation with United States, 551 ff.
- Cervera, Admiral Pasqual, 363, 368 ff.
- Chamberlain, D. H., Carpetbag governor of South Carolina, 153 f.
- Chase, S. P., presided at impeachment trial of President Johnson, 53 f., presidential aspirations of, 66 f.
- Château-Thierry, American defense of, 654 ff.
- Chile, diplomatic relations with, 187 f., 254 ff.
- China, Burlingame treaty, 1868, 80 f.; disintegration of, after 1895, 427 f., "open-door" policy, 428 ff.; concessions to Japan in Treaty of Versailles, 678, Washington Disarmament Conference, 701 ff.
- Chinese Exclusion Act, 1882, 189 ff.
- "Cipher despatches," 1877, 164
- Civil service, Act of 1871, 100, 135, President Hayes and, 152, 156 ff.; President Arthur and, 194, Pendleton Act of 1883, 194 f., 205 f., 391
- Clark, Champ, in congressional election of 1894, 317, hostility to Cleveland, 327; advocate of intervention in Cuba, 1898, 358 n., Speaker of the House 1911, 504, 525, on Canadian reciprocity, 505; candidate for president, 1912, 514 ff., tariff debates of 1913, 525 ff., opposition to compulsory military training, 1917, 632
- Clayton Anti-Trust Act, 1914, 512 ff.
- Clayton-Bulwer treaty, 1850, attempts to modify, 183, 185 f., 412, abrogation of 1901, 413

- Clemenceau, Georges, peace demands of, 609, 672, president of Peace Conference, 1010, 672 ff
- Cleveland, Grover, elected president, 1884, 108 ff, character sketch of, 201-205, 327 f, use of the veto, 208 ff., on tariff legislation, 212-216, 315 ff; defeated for reelection, 1888, 225 ff, on free coinage of silver, 241, 321 f; reelected president, 1892, 208 ff, attempt to maintain gold reserve, 306 ff, 311 ff, advocates repeal of Sherman Silver Act, 309 ff; intervention in Pullman strike, 1894, 320 f, intervention in Venezuela-boundary dispute, 322 ff, hostility to Bryan, 327, neutrality policy in Cuban insurrection, 1895-1897, 352 f, withdrawal of treaty for annexation of Hawaiian Islands, 1893, 406
- Colfax, Schuyler, Speaker of the House, 66
- Columbia, (New Granada), treaty of 1846 with 183, 418, concession of canal rights to French company, 184, negotiations for canal rights with United States, 414 f, Panamanian revolt, 415 ff, intervention of the United States, 416 f
- Colorado, statehood, 1876, 107 f
- Commerce Court, 471
- Confederate states, economic conditions in, 5 ff, legal status of, 16 f, repudiation of debts of, 18
- Conkling, Roscoe, attitude toward spoils system, 153, 157, political activities, 1876, 142 f, 1880, 171 ff, 157, feud with Blaine, 175 ff
- Conservation movement, character of, 475 f; irrigation, 476 ff, reclamation of swamp lands and flood control, 479 ff; forests, 481 ff, Appalachian Forest Reserve Act, 1011, 483
- Coolidge, Calvin, Latin-American policy of, 503, elected vice president, 1920, 683, 685, attitude toward World Court, 693 f; Kellogg Briand Pact, 697 f, proposal for disarmament conference, 1027, 705, veto of Bonus Bill, 711, character sketch of, 730 f, elected president, 1924, 732 ff; declined to be candidate for renomination, 1028, 737
- Cooper, Peter Greenback-party candidate for president, 1876, 145
- Cox, J. D., Secretary of the Treasury, 1869, 69, 99
- Cox, J. M., Democratic candidate for president, 1920, 684 ff
- Coxey, J. S., 318 f
- Crédit Mobilier, 97 f
- Crowder, General E. H., 633
- Cuba, rebellion of 1868 in, 91 ff; United States policy toward, 348 ff, revolt of 1895, 350 ff, neutrality of United States, 352 f, Spanish-American War and, 348-380, Republic of, 393 ff, relations with United States, 395 ff, the Platt Amend-
- ment, 394 f.; Taft-Knox preventive policy toward, 396; reciprocity treaty with, 1903, 397; American investments in, 397
- Cummings v. Missouri, 1866, 51
- Cummins, A. B., progressive Republican, 440, 464, 496
- Curtis, G. M., chairman of Civil Service Commission, 1871, 100; "Mugwump," 1884, 198
- Danish West Indies, *see* Virgin Islands
- Daugherty, H. M., Attorney-General, 1921, 687, 731
- Davis, John W., Democratic candidate for president, 1924, 733 f
- Day, W. R., Secretary of State, 1897, 344; Peace Commissioner to Paris, 1898, 377
- Dawes, Charles G., plan for reparations payments, 699, elected vice president, 1924, 732 ff, financial commissioner to Santo Domingo, 1929, 551; ambassador to Great Britain, 1920, 740
- Dawes Act, 1887, 113, 283
- Debs, Eugene V., in Pullman strike, 1894, 320 f; Socialist candidate for president, 1900, 222, 1904, 468, 1908, 488, 1912, 516
- Debts, Civil War, 2, 126, repudiation of Confederate, 18, of Southern states in reconstruction régime, 71; reduction of World War, 719
- Debts, inter-Allied, refunding of, 698 ff
- Denby, E. F., Secretary of the Navy, 1921, 687, 731
- Desert Land Act, 1877, 476
- Dewey, Admiral George, in command of Asiatic fleet, 363, battle of Manila Bay, 364 ff, controversy with Admiral von Diederichs, 367 ff
- Dingley tariff, 1897, 344 ff, 494, Insular cases involving the, 400
- Disarmament, movement for, Hague Conferences, 444 ff, Washington Disarmament Conference, 701 ff, Three-Power Naval Conference, 1927, 704 ff; London Naval Conference, 1930, 706
- Donnelly, Ignatius, People's-party organizer, 293
- Drago Doctrine, 423 f
- Dumba, Constantin, Austrian ambassador to the United States, 592 f.
- Eaton, Dorman B., chairman of Civil Service Commission, 194 f
- Edmunds, G. F., independent Republican, 197 f, 172
- Education, illiteracy of Negroes in conventions, 1868, 62; Indian, 112 f; development of, 1865-1890, 267-270, 1890-1931, 783
- Elections, congressional, 1866, 41 ff.; 1874, 134 f; 1878, 164; 1890, 254, 1910, 502 f, 1914, 536 f.; 1918, 670; presidential, 1868, 65 ff., 1872, 102 ff.; 1876,



- 142 ff.; 1880, 170 ff.; 1884, 196 ff.; 1888, 225 ff.; 1892, 292 ff.; 1896, 327 ff.; 1900, 386; 1904, 465 ff.; 1908, 486 ff.; 1912, 508 ff.; 1916, 582 ff.; 1920, 682 ff.; 1924, 732 ff.; 1928, 736 f.
- Electoral Commission, 1877, 147 f.
- Elkins Anti-Trust Act, 464
- Emergency Fleet Corporation, 624
- Enforcement Act, Federal, 75 ff., 164 f.; Supreme Court decisions on, 78; "Force Bill," 1890, 239
- England, *see* Great Britain
- Esch-Cummins Act, 1920, *see* Railroad Transportation Act
- Evarts, W. M., Secretary of State, 1877, 152
- Ex-parte* Milligan, 1866, 51
- Fairbanks, Charles W., vice president, 1904, 466 ff., 486
- Fall, Albert B., Secretary of the Interior, 1921, 687, 731
- Farmers' Alliance, 288 f., 294
- Farming, *see* Agriculture
- Federal Aid to Good Roads Bill, 1916, 539
- Federal Farm Board, 742 f.
- Federal Farm Loan Act, 1916, 538 f.
- Federal Reserve Banking System, Wilson's message on, 1913, 528; Pujo report on money trust, 529; passage of Federal Reserve Bank Bill, 530 ff.; financial assistance of, in World War, 618
- Federal Trade Commission, 534 f.
- Fessenden, William Pitt, congressman, 38, 47 ff.
- Fish, Hamilton, Secretary of State, 1869, 69, 87 f.
- Fisheries, Atlantic, agreement concerning, 1871, 88; 1908, 438 f.
- Fisk, James, Jr., "Black Friday" incident, 1869, 95 f.
- Florida, readmission to the Union, 1868, 64; restoration of white supremacy in, 1876, 79, 145 f., 148
- Foch, General Ferdinand, Allied commander in chief, 652, 655
- Foraker, J. B., Senator, 486
- Fordney-McCumber tariff, 1922, 715 ff.
- Fourteen Points, 663, 664, 678
- France, negotiations with, concerning Maximilian in Mexico, 80 f.; entrance into World War, 568; American Expeditionary Force in, 633 ff.; armistice, 1918, 665 f.; territorial concessions to, in Treaty of Versailles, 677 ff.; Washington Disarmament Conference and, 701 ff.; London Naval Treaty of 1930 and, 706 f.
- Freedmen's Bureau, 10, 28, 30, 32 f., 56, 58 f., 74
- Frelinghuysen, F. T., Secretary of State, 1881, 182; reverses Blaine's Latin-American policy, 188
- Funston, Frederick, expedition against Vera Cruz, 1914, 558
- Fur-seal controversy, 1893, 256 f.
- Garfield, Harry A., Fuel Administrator, 1917, 621 f.
- Garfield, James A., elected president, 1880, 172 f.; character sketch of, 174 f.; feud with Conkling, 175 f.; political assessments, 179; assassination of, 179 f.
- Garrison, L. M., Secretary of War, 1913, 524, 581
- Geneva, Three-Power Naval Conference at, 1927, 704 ff.
- George, Lloyd, on disarmament, 1912, 566; peace program approved in election, 1919, 669; peace demands of, 672; at Peace Conference, 673
- Georgia, readmitted to the Union, 1868, 64 f.; carpetbag, scalawag, and Negro rule in, 70; restoration of white supremacy in, 1870, 79
- Germany, Spanish-American War and, 360, 367 f.; controversy over Samoan Islands, 409; Venezuela-debt controversy, 1902, 410 f.; Algeciras Conference, 1906, 441 f.; entrance into World War, 1914, 568; merchant marine of, 1914, 574; ruthless character of warfare, 578; protests against munitions sales, 590 f.; propaganda in the United States, 592 ff.; ruthless submarine warfare, 594 f., 607 ff.; modification of submarine policy, 600 ff.; peace overtures of 1916, 605 ff.; United States severs diplomatic relations with, 1917, 609; United States declares war against, 610 f.; military offensive of 1918, 640 ff.; Allied counter-offensive, 655 ff.; collapse of, 661 ff.; Fourteen Points and peace negotiations, 665 f.; armistice, 665 f.; abdication of the Kaiser, 666; Treaty of Versailles, 677 f.; peace restored with United States, 1921, 687 f.
- Glass, Carter, Federal Reserve Banking System, 530 ff.
- Gold Standard Act, 1900, 346 f., 382
- Gómez, Máximo, Cuban revolutionist, 1895, 350 f.
- Gompers, Samuel, president of American Federation of Labor, 219, 614, 722
- Gould, Jay, "Black Friday" incident, 1869, 95 f.
- "Grandfather clauses," 240
- Grange, National, organization of, 138 f., 158
- Granger cases, 1877, 140
- Grant, U. S., on arrest of General Lee, 23; appointed Secretary of War, 53 f.; elected president, 1868, 66 ff.; character sketch of, 68 f.; attempt to purchase Santo Domingo, 86 f.; on Cuban rebellion of 1868, 92; "Black Friday" incident, 1869, 95 f.; political blunders of, 99; attitude toward civil service, 100, 135; reelected president, 1872, 102 ff.; on candidacy for third term, 1876, 142; 1880, 171 f.; death of, 196 n.
- Great Britain, Johnson-Clarendon Convention, 1869, 84 ff.; treaty of Washington,

- 1871, 87 f.; controversy over Samoan Islands, 409; Hay-Pauncefote treaty, 1901, 412 f.; controversy over Panama Canal tolls, 419; Venezuelan-debt controversy, 1902, 419 f.; Alaskan-boundary controversy, 1903, 435 f.; arbitration of North-Atlantic-fisheries question, 1908, 438 f.; protest against Panama Canal tolls, 1914, 535; entrance into World War, 568; merchant marine of, 1914, 574; interference with American commerce, 1914-1917, 587 f.; American naval cooperation, 635 f.; transportation of American troops to France, 652 f.; Allied offensive of 1918, 655 f.; armistice, 665 f.; Peace Conference, 672 f.; Washington Disarmament Conference, 701 f.; Three-Power Naval Conference at Geneva, 1927, 704 f.; London Naval Treaty, 1930, 706 f.
- Greeley, Horace, Liberal Republican candidate for president, 1872, 101 ff.
- Greenback party, 141, 144, 158, 167, 173, 197 f, 226
- Greenbacks (United States notes), 67, 128, 130, 132, 134
- Gresham, Walter Q., Secretary of the Treasury, 182; Secretary of State, 1893, 303; political activities of, 227, 295
- Guam, capture of, 1898, 376; cession of, to United States, 376, 407
- Guantánamo Bay, cession of, to the United States, 1901, 395
- Hague Conference of 1899, 444; of 1907, 446
- Haiti, establishment of United States protectorate over, 1916, 548 ff.
- "Half-breeds," 156
- Hampton, Wade, governor of South Carolina, 153 f.
- Hancock, W. S., Democratic candidate for president, 1880, 172 f.
- Hanna, Mark, political activities of, 227, 332 f., 340 f.; Senator, 344; on intervention in Cuba, 1898, 358; attitude toward Roosevelt, 386; adjustment of anthracite coal strike, 1900, 456; death of, 1904, 465
- Harding, Warren G., elected president, 682 ff.; character sketch of, 686 f.; approval of World Court, 693; Disarmament Conference, 1921, 702, veto of Bonus Bill, 711; on denationalization of railroads, 711 f.; on new tariff legislation, 716; on government economy, 718; death of, 730
- Harriman, E. H., 460, 483
- Harrison, Benjamin, elected President, 1888, 227 f.; character sketch of, 229 f., 302; the spoilsmen and, 231, 295 ff.; friction with Blaine, 296; defeated for reelection, 1892, 298 ff.
- Hawaiian Islands, early history of, 404 f.; annexation to the United States, 1898, 405 f.; political status of, 406; economic conditions in, 406 f.
- Hawley-Smoot tariff, 1930, 743 f.
- Hay, John, ambassador to Great Britain, 1897, 361; Secretary of State, 1898, 377, 430; Hay-Pauncefote treaty, 1901, 412 f.; Hay-Herran convention, 1902, 414 f.; Hay-Bunau-Varilla convention, 1903, 415 f.; intervention in Venezuelan-debt controversy, 1902, 421; "open-door" policy, 428 ff.; statesmanship of, 439
- Hayes, R. B., elected president, 1876, 142 ff.; character sketch of, 150 ff.; on civil service, 152, 156 ff.; withdrawal of military support from Republican governments in South, 153 f.; opposition of Stalwarts to, 155 f.; labor disturbances of, 1877, 161 f.
- Haymarket Square riot, 217 f.
- Hay-Pauncefote treaty, 1901, 412 f.
- Hearst, William R., work for intervention of United States in Cuban rebellion, 353; in presidential campaign of 1904, 467
- Hendricks, T. A., vice president, 199, 205
- Hepburn Act, 1906, 469 ff.
- Hill, D. B., governor of New York, 1888, 227; in national politics, 297 f., 335, 339
- Hill, J. J., railroad builder, 460 f., 483
- Hoar, E. R., Attorney-General, 69, 99; independent Republican, 198
- Hobson, R. P., naval exploit at Santiago de Cuba, 370
- Holden, W. W., governor of North Carolina, 24
- Homestead Act, 1862, 124
- Homestead strike, 1892, 300
- Hoover, Herbert, chairman of Commission for Relief of Belgium, 1914, 572; Food Administrator, 1917, 620 f.; advocate of League of Nations, 679; in presidential campaign of 1920, 683; Secretary of Commerce, 1921, 687; elected president, 1928, 736 f.; approval of World Court, 694; London Naval Conference, 1930, 706 f.; on tariff legislation of 1930, 744; on crime wave, 747 f.
- House, E. M., confidential adviser to President Wilson, 524; peace mission to Europe, 1915, 506; Peace Commissioner, 1919, 671, 673; approval of World Court, 693
- Hughes, Charles E., on political reforms, 449; Associate Justice of Supreme Court, 503; Republican candidate for president, 1916, 584 ff., 684; Secretary of State, 1921, 687, 736; on cooperation with League of Nations, 691; member of World Court, 694; at Washington Disarmament Conference, 702 ff.; Chief Justice, 740
- Immigration, Southern attempt to stimulate, 11; Chinese-exclusion legislation, 189 ff.; problems of Japanese, 430 ff., 432 ff.; general character of, 752 ff.; recent restrictive legislation, 754 f.

- Impeachment of President Johnson, 52 ff.  
 Imperialism, character of American, in 1900, 383 ff.; issue in presidential election of 1900, 386 f.  
 Income Tax, Act of 1804, 316; Sixteenth Amendment, 1913, 528; provisions of Act of 1913, 528  
 Indians, number of, 110; government policy toward, 111 ff.; Dawes Act, 1887, 113, 283; Burke Act, 1906, 114, 283; Indian Territory, 282 f.  
 Insular cases, 400  
 Interstate Commerce Act, 1887, 222 ff., 447, 469  
 Irrigation, Desert Land Act, 1877, 476; Carey Act, 1894, 476; Newlands Act, 1902, 477; extent of, 1928, 478; Boulder Dam Project, 478  
 Isthmian Canal, Blaine's policy with reference to, 1881, 182 ff.; treaty of 1867 with Nicaragua, 184; Colombia's concessions to French company, 184 f., 186; President Hayes on, 185; revival of interest in, after 1808, 411 f.; Hay-Pauncefote treaty, 412 f.; Hay-Herran convention, 414 f.; Hay-Bunau-Varilla convention, 415 ff.; construction of Panama Canal, 418 f.  
 Italy, Mafia incident, 258 f.; Venezuelan-debt controversy, 1902, 419 f.; entrance into World War, 568; reverses of 1918, 661; territorial demands at Peace Conference, 677 f.; Washington Disarmament Conference, 701 ff.  
 James, T. L., Postmaster-General, 177; Star-Route-frauds exposure, 178 f.  
 Japan, special missions to United States, 91; attitude toward "open-door" policy, 428 f.; Roosevelt's mediation in Russo-Japanese War, 1905, 429 f.; relations with United States prior to 1808, 430 f.; Japanese immigration to United States, 430 ff., 754 f.; Root-Takahira Agreement of 1908, 430-433; Gentlemen's Agreement of 1907, 433; Alien Land Legislation of California, 433 f., 543; concession received in China in Treaty of Versailles, 678; Washington Disarmament Conference, 701 ff.; Three-Power Naval Conference at Geneva, 704 f.; London Naval Conference, 706 ff.  
 Joffre, J. J. C., Marshal, 613, 622  
 Johnson, Andrew, relations with radicals, 8, 22 f.; character sketch of, 21 f.; plan of reconstruction, 23 ff.; on Negro suffrage, 27; reorganized state governments in South, 27 ff.; veto of Freedmen's Bureau Bill, 1866, 32 ff.; in political campaign of 1866, 41 ff.; opposition to proposed program of radicals, 1867, 48, 51; impeachment of, 52 ff.  
 Johnson, Hiram, progressive Republican, 449, 603, 735; candidate of national Progressive party for vice president, 1912, 513; opposition to Treaty of Versailles, 679  
 Johnson-Clarendon Convention, 1869, 84 ff.  
 Journalism, development of, before 1890, 273 f.; 1890-1931, 780 f.  
 Kearney, Dennis, opponent of Chinese immigration, 191  
 Kellogg, F. B., membership in World Court, 694 n.; Pact of Paris, 696 ff.; ambassador to Great Britain, 735 f.; Secretary of State, 736  
 Kellogg-Briand Pact, *see* Paris, Pact of  
 Kerensky, Alexander, Socialist premier of Russia, 1917, 612, 647  
 Knights of Labor, 160, 216 ff., 226, 291, 293  
 Knights of the White Camelia, 73 ff.  
 Knox, P. C., Attorney-General, 462; on Hepburn Act of 1906, 469 ff.; Secretary of State, 1909, 493, 508; opposition to Treaty of Versailles, 679 ff.  
 Ku-Klux Klan, 72 ff., 70  
 Labor, political activities of, 144, 221 f., 226, 228, 292; consolidation of, 159 ff.; National Labor Union, 160, Knights of, 160 f., 291; disturbances of 1877, 161 f.; 1885-1886, 216 ff.; 1892, 300; 1894-1896, 310 ff., post-war, 722 ff.; opposition of, to Chinese immigration, 190 f.; American Federation of, 218 f.; legislation in interest of, 210 ff.; use of injunction against, 310 ff., 533, 540, attitude of Roosevelt toward, 458 f., 466, Newlands Act of 1913 for mediation of disputes, 535, Adamson Eight-Hour law, 1916, 540 ff.; pledges support of War, 614 f.; Railroad Labor Board, 713, attitude toward government operation of railroads, 713 f.; legislation dealing with conditions of, 759 ff.  
 La Follette, Robert M., advocate of reforms in government, 449, 452, on Hepburn Act, 1906, 469 f.; political activities of, 1908, 486, 1909, 496, 505, 509 f.; 1924, 734 f.; opposition to Treaty of Versailles, 679  
 Lamar, L. Q. C., Secretary of the Interior, 1885, 204  
 Land, public, railroad grants, 122, methods of disposal, 123 ff., grants of semiand, to states, 476 ff.; reclamation of swamp lands and flood control, 479 ff., conservation of forest lands, 481 ff.  
 Lane, Franklin K., Secretary of the Interior, 524  
 Lansing, Robert, Secretary of State, 547; Peace Commissioner, 671; attitude toward League of Nations, 677  
 League to Enforce Peace, 579, 604  
 League of Nations, Wilson's plans for, 606, 611; Wilson's Fourteen Points, 663, 670;

- consideration of, at Peace Conference, 674 ff ; issue in presidential election of 1920, 682 ff ; establishment of, at Geneva, 1921, 689 ; entrance of Germany into, 1926, 689 ; achievements of, 690 ; relations of United States to, 690 ff.
- Legal-tender notes, 127 ff., 131
- Legion, American, 710
- Lenin, Nikolai, Russian Bolshevik, 612
- Liberal Republican movement, 100 f., 141
- Liliuokalani, Queen, 405
- Lincoln, Abraham, on status of seceded states, 8, plan of reconstruction, 17-23, attitude toward Negro suffrage, 19
- Literature, growth of, 1865-1890, 270 ff., 1800-1931, 778 ff
- Lodge, H. C., independent Republican, 1884, 198, on bimetallism, 1896, 329 ; in Republican national convention, 1904, 466, chairman of Committee on Foreign Affairs, 671, opposition to the Treaty of Versailles, 676 f., 679
- Logan, John A., radical in Congress, 1866, 38, Stalwart, 155, 171
- London Naval Treaty, 1930, 706 ff.
- Louisiana, Lincoln's plan of reconstruction in, 18 f., Negroes in state constitutional conventions, 1868, 62 ; readmitted to the Union, 1868, 64, carpetbag, scalawag, and Negro rule in, 71, restoration of white supremacy in, 70, 145, 148, 153 f
- Lowden, F. O., political activities of, 683, 736
- Lusitania*, destruction of, 1915, 597
- McAdoo, W. G., Secretary of the Treasury, 1913, 524, 530, Director-General of Railway Administration, 623, candidate for Democratic presidential nomination, 1920, 684 f. ; 1924, 733 f
- McCormick, Vance C., chairman War Trade Board, 618
- McCulloch, Hugh, Secretary of the Treasury, 126, 132, 182
- MacDonald, Ramsay, London Naval Conference, 1930, 706 ff
- McKinley, William, in tariff debate of 1888, 216, candidate for Speaker of House, 232 ; and Tariff Bill, 1890, 236 ff., attitude toward free coinage of silver, 334 ; elected president, 1896, 340 ff., character sketch of, 343 f., Cuban policy of, 354 f., war message of, 1898, 350 f ; reelected president, 1900, 386 f., assassination of, 1901, 388
- McKinley tariff, 1890, 236 ff.
- McNary-Haugen Bill, 741 ff
- Macune, C. W., Farmers' Alliance organizer, 289
- Mafia incident, 258 f.
- Maine*, battleship, destruction of, 356
- Mandates, 678 n.
- Manila, capture of, 1898, 374 ff.
- Manila Bay, battle of, 1898, 364 ff.
- Mann, J. R., on pure food and drug legislation, 1906, 474
- Mann "White Slave" Act, 506
- Mann-Elkins Act, 1910, 471
- Manufactures, number of establishments, 3, 14 ; output, 158 f., 212 f., 243 ff., 261 f., 383 ; industrialization of, 158 f., 243 f., 384 f. ; reorganization after World War, 720 f
- Maximilian in Mexico, 80 ff.
- Mellon, Andrew, Secretary of the Treasury, 1921, 687, 711, 740
- Merchant marine, status of foreign, 1914, 572 ; status of American, 1914, 574 ; Ship Registry Act, 1914, 574 ; Bureau of War Risk Insurance, 575 ; Shipping Board, 1916, 575, 624 f., 654 ; disposal of government-owned, 1918-1930, 714 f. ; Jones Merchant Marine Act, 1920, 715 ; Jones-White Merchant Marine Act, 1928, 715
- Merritt, General Wesley, capture of Manila, 374 f.
- Meuse-Argonne, battle of, 659 ff.
- Mexico, Maximilian in, 80 ff ; arbitration of Pious Fund Case, 445 ; Porfirio Diaz régime in, 555 ; American investments in, 1911, 555, revolutions in, after 1910, 555 ff., seizure of Vera Cruz by United States, 1914, 557 f. ; "ABC" Powers mediation, 558, Pershing's punitive expedition into, 1916, 558 f. ; mission of Dwight Morrow to, 560, immigration from, 755
- Miles, General N. A., expedition against Porto Rico, 374
- Mississippi, rejection of Thirteenth Amendment, 27, "Black Laws" in, 31 ; readmission to Union, 1870, 64 f. ; carpetbag, scalawag, and Negro rule in, 71, restoration of white supremacy in, 1875, 79
- Mississippi River Flood Control Act, 1928, 480 f., 719
- Mitchell, John, president United Mine Workers of America, 1900, 456
- "Molly Maguires," 163
- Monroe Doctrine, the Maximilian Empire in Mexico and, 80 ff ; Venezuelan-boundary controversy and, 322 ff ; Richard Olney on, 323 f., Venezuelan-debt controversy and, 420 ff. ; Roosevelt Corollary of, 1905, 426, Caribbean policy and, 560 ff., Pan-American movement and, 562 ff ; recognition of, by League of Nations Covenant, 677
- Morgan, J. P., sale of gold bonds to government, 1895, 313 ; business consolidations, 460 f., gifts to Metropolitan Museum, 776
- Morrill Act, 1862, 268, 278
- Morrow, Dwight L., ambassador to Mexico, 560
- Morton, Levi P., minister to France, 1881, 177
- Morton, O. P., radical in Congress, 1866, 38 ; Stalwart Republican, 135, 142, 143

- "Mugwumps," 198, 206  
 Muscle Shoals nitrate and power plant, 479  
 Music, development of, before 1890, 274 ff.; 1890-1931, 777 f
- Napoleon III, Maximilian and, in Mexico, 80 ff.  
 National Banking System, 128 f., 485, 529 f.  
 National Defense Act, 1916, 581  
 Negroes, *see* Black Laws, Reconstruction, Suffrage  
 New Granada, *see* Colombia  
 Nicaragua, negotiations with, concerning canal route, 184, 186, 413, 419, 554; political relations with United States, 553 f.  
 Nonpartisan League, 1915, 538  
 Norris, G. W., insurgent Republican, 735, 737 f.  
 North Carolina, Johnson's plan of reconstruction in, 24 f.; readmitted to Union, 1868, 64, carpetbag, scalawag, and Negro rule in, 70; white supremacy restored in, 1870, 79  
 Northern Securities Case, 1903, 461 ff.
- "Ohio idea," 67  
 Oklahoma, statehood, 282 f  
 Olney, Richard, Secretary of State, 303, 321, 323 ff  
 Orlando, V. E., at Peace Conference, 1919, 673  
 Owen, R. L., congressman, 1913, 530 f
- Packard, S. B., carpetbag governor of Louisiana, 154  
 Page, Walter, ambassador to Great Britain, 643  
 Palmer, J. M., Gold Democrat candidate for president, 1896, 339  
 Panama, canal rights across, 184 f., 414 ff.; independence of, 416 ff.; relations with United States, 551 f.  
 Pan-American Congress, 237, 562 f., 695  
 Panics, of 1873, 132 ff.; of 1893, 305 ff.; of 1907, 483 f.; of 1920, 720 ff.; of 1929-1931, 745 f  
 Paris, Pact of, 1927, 696 ff.  
 Parker, Alton B., Democratic candidate for president, 1904, 467 ff  
 Payne, Sereno E., tariff authority, 345, 494 ff.  
 Payne-Aldrich tariff, 1909, 494 ff.  
 Peace, world movement for, in 1912-1914, 563 ff.; in United States, 578 f.; attempts at reestablishment in 1916, 605 ff.; arbitration and conciliation treaties, 445 f., 567, 695 ff., 701 ff.  
 Pendleton, George H., in presidential campaign of 1868, 67; minister to Germany, 1885, 204  
 Penrose, Boise, conservative Republican, 497
- Pensions, Civil War, 193, 209 ff., 234 f.  
 People's party, organization of, 292 ff., 301, 311, 335; in presidential campaign of 1896, 340, 1904, 468; 1908, 488  
 Permanent Court of International Justice, *see* World Court  
 Pershing, J. J., punitive expedition into Mexico, 1916, 558, military mission to Europe, 1917, 614; character sketch of, 639; American preparations overseas, 640 ff.; military policy of, 645, 648 f.; active participation on Western Front, 652 ff  
 Philippine Islands, in Spanish-American War, 364 ff., 374 ff.; cession to the United States, 378 ff.; description of, 1900, 400 ff.; insurrection in, 1900-1903, 402; establishment of civil government in, 403 f., 543 ff.; independence movement in, 544; economic relations with United States, 545 f.; future status of, 544 f  
 Pinchot, Gifford, Chief Forester, 475, 482; controversy with Secretary Ballinger, 483  
 Pious Fund case, 445  
 Platt, T. C., resigns seat in Senate, 178; opposition to President Harrison, 1892, 296; sponsors nomination of Roosevelt for vice president, 1900, 386  
 Platt Amendment to Cuban Constitution, 1901, 394 f  
 Plumb, Glenn E., plan for operation of railroads, 713  
 Populist party, *see* People's party  
 Porto Rico, conquest of, 1898, 374, cession of, to United States, 376; political status of, 398 ff., 546 f.; economic conditions in, 547  
 Powderly, Terence V., Grand Master of the Knights of Labor, 160, 217  
 Preparedness, military, reorganization of military establishment after 1898, 442 ff.; lack of interest in, 1914, 576 ff.; President Wilson on, 577, 578 ff.; National Defense Act, 1916, 581, Naval Appropriation Bill, 1916, 582, Army Act, 1920, 710  
 Presidential Succession Act, 1886, 207 f  
 Progressive Republican movement, 1900-1912, 508 ff.; in campaign of 1914, 536 f., of 1916, 583  
 Prohibition, political activities, 190, 226, 228, 468, 488, 585, 738 f.; problems of enforcement, 746 ff., 767 f.; Eighteenth Amendment, 766, national legislation on, Webb-Kenyon Act, 1912, 766; Volstead Act, 1919, 767; Jones Act, 1929, 767
- Quay, M. S., chairman of Republican National Committee, 1888, 227; opposition to Harrison, 1892, 296; in tariff discussions, 1894, 317; on nomination of Roosevelt as vice president, 1900, 386

- Railroads, transcontinental, 119 ff.; opposition of West to, 137 ff.; Interstate Commerce Act of 1887 and, 222 ff., 469; Hepburn Act, 1906, 469 ff.; nationalization of, 1917, 622 ff., 711 ff.; Plumb Plan for operation of, 713; Railroad Transportation Act of 1920, 713
- Reconcentrado camps in Cuba, 351, 357
- Reconstruction, Lincoln's plan of, 17 f., 20 f.; first Congressional plan of, 18 ff.; Johnson's plan of, 23 ff., 27 ff.; joint committee on, 28, economic aspects of, 45 f.; Congressional acts of 1867 on, 47 ff.; the Supreme Court and legislation on, 51 f.
- Recreation, public, 773 ff.
- Reed, James A., opposition to Treaty of Versailles, 679
- Reed, T. B., in tariff debate of 1888, 216; Speaker of the House, 1889, 231 f.; 1897, 345; contest over House Rules, 1889, 233 f.; attitude toward currency question, 242, 329; hostility to Harrison, 1892, 296, opposition to intervention in Cuba, 1898, 358
- Reed, Dr. Walter, medical work in Cuba, 396
- Religion, development of, 1865-1890, 278 ff.; 1890-1931, 762 f.
- Reparations Commission, 699 n.
- Rockefeller, John D., organization of Standard Oil Company, 248 f.
- Roosevelt, Franklin D., Democratic candidate for vice president, 1920, 685 f.
- Roosevelt, Theodore, independent Republican, 1884, 198; Civil Service Commissioner, 1889, 231, 304; Assistant Secretary of the Navy, 1897, 363; with Rough Riders at Santiago de Cuba, 370 f., on conduct of Spanish-American War, 371; elected vice president, 1900, 380 f.; president, 1901, 388, character sketch of, 388 ff.; Caribbean policy of, 411-425, intervention in Venezuelan-debt controversy, 1902, 421 ff.; establishment of Dominican receivership, 424 f.; mediation in Russo-Japanese War, 430 f.; world cruise of battle fleet, 434 f.; on Anglo-American relations, 1908, 438 f.; on military preparedness, 442 ff.; program for industrial reform, 451 ff.; intervention in anthracite coal strike, 1902, 457 f.; prosecution of illegal trusts, 461 ff.; on tariff, 464 f.; reelected president, 1904, 465 ff.; on regulation of railroads, 469 f.; interest in conservation, 475 ff.; on Republican nominee for 1908, 486 ff.; African hunting trip, 1909, 489, 500 ff.; on editorial staff of *Outlook*, 501; "the new nationalism," 501; relations with Progressive Republicans, 508 ff.; national Progressive candidate for president, 1912, 510 f., 513; 1916, 583 f.; on neutrality of United States in World War, 1914, 571; advocate of declaration of war against Germany, 598; criticism of Wilson's peace program, 672; death of, 1919, 682
- Root, Elihu, Secretary of War, 1901, 393, 442 f.; Secretary of State, 1905, 430, 486; statesmanship of, 439; arbitration treaties of, 445 f.; chairman Republican National Committee, 1912, 512; on League of Nations, 677, 680; on World Court, 690 ff.; membership in World Court, 694 n.
- Rough Riders, 370 f.
- Russia, purchase of Alaska from, 1867, 82 f.; entrance into World War, 568; revolution of 1917, 612; establishment of Bolshevik government in, 647; treaty of Brest-Litovsk, 647, 665 f.; propaganda of, 669, 674, 723 f.
- Sagasta, Praxedes Mateo, prime minister of Spain, 355, 359
- St. Mihiel salient, reduction of, by American troops, 658 f.
- Samoa Islands, controversy over jurisdiction in, 407 ff.; partition of, 1900, 409
- Sampson, Admiral W. T., defeat of Spanish fleet at Santiago, 363
- Sanborn Contract, exposures, 134 f.
- Santiago de Cuba, capture of, 368 ff.
- Santo Domingo, Grant's attempt to purchase, 86 f.; establishment of receivership over, 424 f.; occupation of, by United States, 1916, 1924, 550 f.; establishment of American protectorate over, 1924, 551; Dawes Commission report on finances of, 1929, 551
- Scalwags, 61, 70 f., 153
- Schley, Admiral W. S., in Spanish-American War, 369 f.
- Schofield, J. M., Secretary of War, 55
- Schurz, Carl, civil service advocate, 100, 156, 304; liberal Republican, 1871, 101; attitude in presidential campaign of 1876, 145; 1884, 198; Secretary of the Interior, 1877, 153
- Schwab, C. M., Director-General of the Emergency Fleet Corporation, 624
- Science, development of, before 1890, 276 ff.; 1890-1931, 782 f.
- Selective Service Act, 1917, 632 ff.
- Seward, W. H., Secretary of State, 1865-1869, 22, 80 ff.; negotiations concerning withdrawal of French troops from Mexico, 80 ff.; treaty for purchase of Alaska, 1867, 82 ff.; treaty for purchase of Danish West Indies, 83 f.; Johnson-Clarendon Convention, 1869, 84 ff.
- Seymour, Horatio, Democratic candidate for president, 1868, 68
- Shafter, General W. R., in campaign against Santiago de Cuba, 370 ff.
- Sherman, John, on Federal currency, 1875, 136; Secretary of the Treasury, 1877, 153; resumption of specie payments, 1879, 169 f.; in national politics, 172, 227; Secretary of State, 1807, 344

- Sherman Anti-Trust Law, 1890, 250 ff., 447, 460 ff., 532
- Sherman Silver Act, 1890, 240 ff., 307, 309, 311, 328
- Shipping Board, 1916, 575; Emergency Fleet Corporation, 624 f., 649 ff.; disposal of government-owned merchant marine, 714 f.
- Sims, Admiral W. S., naval operations in Europe in World War, 635 f.
- Slaughterhouse cases, 78
- Smith, Alfred E., candidate for Democratic nomination for president, 1920, 684; 1924, 733; Democratic candidate for president, 1928, 738 ff.
- Smith, Hoke, Secretary of the Interior, 303, 339
- Smith-Lever Act, 1914, 535
- Sonnino, Sidney, Italian representative at Peace Conference, 1919, 673
- South Carolina, "Black Laws" in, 31; Constitutional Convention of 1868, 62; readmitted to Union, 1868, 64, carpet-bag, scalawag, and Negro rule in, 70 ff.; restoration of white supremacy in, 79, 145 f., 148, 153 ff.
- Spain, Cuban rebellion of 1868, 91 ff.; of 1895, 350 ff., the case of the *Virginius*, 92; war with the United States, 1898, 348-380
- Specie payments, resumption of, 136, 169 f., 312
- Sports, national, 774 f
- Stalwarts, 155 f., 170 ff., 176 ff.
- Standard Oil Company, 248 f
- Stanton, E. M., on reconstruction policy, 22, 53, 54
- Star-route frauds, 178 f
- Stephens, Uriah S., founder of Knights of Labor, 160
- Stevens, Thaddeus, on status of seceded states, 17, on Negro suffrage, 26, 45; character sketch of, 36 f.; radical reconstruction and, 1867, 47 ff.; death of, 1868, 65 n.
- Stevenson, Adlai E., vice president, 1893, 298, 301
- Stimson, H. L., Secretary of War, 501; candidate for governor of New York, 501; mission to Nicaragua, 1926, 554; Governor-General of Philippine Islands, 740; Secretary of State, 1929, 740
- Streeter, A. J., Union Labor candidate for president, 1888, 292
- Submarine warfare, Germany's inauguration of ruthless, 1915, 594 f.; President Wilson's protest against, 595 f.; sinking of the *Lusitania*, 1915, 597 f., *Sussex* ultimatum, 1915, 600 f.; modification of use of, by Germany, 600 ff., unrestricted use of, 1917, 607 ff.; arming of merchant ships against, 609 ff
- Suffrage, Negro, 19, 26 f., 45, 58 ff., 60, 239 ff.; woman's, 285, 728 f.
- Sumner, Charles, on status of seceded states, 16, 45; character sketch of, 37 f.; attitude toward reconstruction legislation, 1867, 47 ff.; on *Alabama* claims, 85; breach with Grant over Santo Domingo treaty, 86 f.; death of, 1874, 77
- Sussex* ultimatum, 600, 602 f.
- Taft, William H., member Civil Commission for Philippine Islands, 1900, 403, civil governor of Philippine Islands, 1902, 403; Secretary of War, 442; president of United States, 1909, 486 ff., character sketch of, 490 f., break with the Roosevelt liberals, 492 ff., support of Payne-Aldrich tariff of 1909, 497, insurgent-Republican revolt against, 499 f., strained relations with Roosevelt, 500 ff.; negotiates Canadian reciprocity treaty, 503 ff., legislative enactments under, 506 ff., defeated in presidential campaign of 1912, 508 ff., member of League to Enforce Peace, 1915, 570 f., on League of Nations, 677, 679 f., Chief Justice of Supreme Court 740, death of, 740
- Tardieu, André, French delegate to Peace Conference, 1919, 673
- Tariff, measures of Civil War period, 2 f., 45 f., 126, legislation during eighties, 212 ff., McKinley Bill, 1890, 236 ff., Wilson-Gorman Act, 1894, 315 ff., Dingley Act, 1897, 344 ff.; Payne-Aldrich Act, 1909, 494 ff.; "Poppun Acts," 1911, 505 f.; Underwood-Simmons, 1913, 525 ff., Fordney-McCumber Act, 1922, 715 ff.; Hawley-Smoot Act, 1930, 743 f.
- Taxes, internal revenue, volume of, during Civil War period, 126 f., establishment of income tax, 1894, 316 f., 1913, 528, Sixteenth Amendment, 1913, 528, tax on corporations, 1909, 497, emergency war legislation, 575 f., 620 ff., increase in Federal, state, and local, 1913-1928, 718 f.
- Teapot Dome oil scandal, 687 n., 731 f
- Teller, H. M., bolted Republican party, 1896, 334
- Tennessee, development of manufacturing in, after 1865, 14, Lincoln's plan of reconstruction in, 18, 24, readmission to Union, 1866, 40, white supremacy restored in, 1869, 79
- Tenure of Office Act, 1867, 53 f., 206 f.
- Texas, readmitted to Union, 1870, 64 f., white supremacy restored in, 1874, 79
- Tilden, Samuel J., Democratic candidate for president, 1876, 144 ff.
- Tillman, Benjamin, governor of South Carolina, 291
- Travel, extent of, before 1890, 266 f.; 1890-1931, 772 f.
- Trotsky, Leo, Russian Bolshevik, 612
- Trumbull, Lyman, sponsored Freedmen's Bureau Act of 1866, 32, 38; reconstruc-

- tion legislation of 1867, 47 ff.; liberal Republican, 1872, 101
- Trusts and monopolies, Sherman Anti-Trust Law, 1890, 250 ff.; literature of exposure, 1902, 449; tendency toward business consolidation, 158 ff., 243 ff., 459, 461; Roosevelt's program for regulation of, 451 ff.; Elkins Act, 1903, 464; Clayton Anti-Trust Act, 1914, 532 ff
- Tweed, "Boss" William, Tammany Hall leader, 98
- Underwood, O. W., chairman of House Ways and Means Committee, 1911, 504 f.; candidate for Democratic nomination, 1912, 514 f.; Underwood-Simmons Tariff Act, 1913, 525 ff.
- Union League, 58
- Utah, settlement of, 108, 188; organized as territory, 1850, 108, statehood, 1896, 108, 189, anti-polygamy legislation, 1862-1893, 188 f.
- Venezuelan-boundary controversy, 1895, 322 ff
- Venezuelan-debt controversy, 1902, 419 ff., 445.
- Venizelos, Eleutherios, delegate of Greece at Peace Conference, 1919, 673; attitude toward League of Nations, 675
- Vera Cruz, seizure of, by England, France, and Spain, 81, seizure of, by United States, 1914, 558
- Versailles, Treaty of, 1919, provisions of, 674 ff., rejection of, by United States, 670 ff
- Virgin Islands, treaty for purchase of, 1867, 83 f., purchase of, 1916, 547 f.; government of, 548
- Virginia, Pierpont government in, 1865, 18, 24; readmission to Union, 1870, 64 f., carpetbag, scalawag, and Negro rule in, 70; white supremacy restored in, 1870, 79
- Virginius*, case of the, 92
- Volstead Act, 1919, 767
- Wade, B. F., attitude toward status of seceded states, 23, 38; conservative Republican, 1877, 155
- Wade-Davis Bill, 1862, 18
- Waite, D. H., governor of Colorado, 318
- War Industries Board, 1917, 617, 668
- War Trade Board, 1917, 618
- Washington, treaty of, 1871, 87 ff.
- Washington Disarmament Conference, 1921-1922, 701 ff
- Watson, T. E., People's-party candidate for president, 1896, 340; 1904, 468; 1908, 488
- Wealth, distribution of, 1930, 768 ff.
- Weaver, J. B., political activities of, 173, 293, 295
- Weyler, Valeriano, governor-general of Cuba, 1897, 351, 353 ff.
- Wickersham, G. W., Attorney-General, 508, chairman of Crime Commission, 748
- Wiley, H. W., chief chemist of Department of Agriculture, 1906, 473
- Wilson, W. L., tariff legislation of 1894, 316 f.
- Wilson, Woodrow, governor of New Jersey, 1910, 503; elected president, 1912, 514 ff.; character sketch of, 519 ff.; *The New Freedom*, 523; tariff message, 1913, 525, 527; message to Congress on banking and currency, 1913, 528 f.; message on trusts and monopolies, 1914, 532 f.; on repeal of Panama Canal tolls act, 535; concessions to labor, 1916, 541; Mexican policy of, 1913-1916, 556 ff.; plea of, for neutrality in European war, 569 f.; proposal for emergency war revenue, 1914, 576; reelected president, 1916, 582 ff.; note on German submarine policy, 595 ff.; *Sussex* ultimatum, 600 ff.; international idealism of, 603 ff.; peace efforts of, 1916, 605 ff.; severs diplomatic relations with Germany, 609; war message of, 610; war program of, 612 ff., influence of, his idealism, 662 ff.; Fourteen Points of, 663; preliminary peace negotiations, 663 ff.; armistice, 665 f.; appeal to voters in election of 1918, 670; selection of Peace Commission, 671; participation in Peace Conference, 672 ff.; Covenant of the League of Nations, 675; returns to United States, 675; controversy with Senate over ratification of Treaty of Versailles, 679 ff.; League of Nations memorial tablet to, 691; attitude of, toward inter-Allied debts, 698; on denationalization of railroads, 1918, 711 f.; on government economy, 1920, 717 f.; assembles industrial conferences, 1919, 722; death of, 691
- Wilson-Gorman tariff of 1894, 315 ff.
- Whisky Ring, 1875, 141, 143
- Woman's-rights movement, 756 ff.
- Women in industry, 757 ff.
- Wood, Leonard, military governor of Cuba, 393 ff.; advocate of preparedness, 578; candidate for Republican nomination for president, 1920, 683
- World Court, provisions for establishment of, 676, 689; establishment of, 1922, 692 ff.; movement in United States for adherence to, 692 ff.
- World War, outbreak of, 1914, 568 f.; neutrality of United States, 572 ff., 587 ff.; entrance of United States into, 1917, 609 f.; status of, 1917, 612 f.; mobilization of resources of United States for, 616 ff.; participation of United States in, 616-662; collapse of Central Powers, 661 f.; armistice, 665 f.; cost of, 666 f.
- Yap, controversy over cable station on, 703 f.
- Young, Brigham, settlement of Utah, 108
- Young Plan for reparations payments, 699 n.















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